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# Latin America Report

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27 March 1985

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INTER-AMERICAN AFFAIRS

COLOMBIA, VENEZUELA SET MEETINGS TO IMPROVE TRADE RELATIONS

Bogota EL TIEMPO in Spanish 3 Feb 85 p 11-A

[Text] Beginning on 13 February, in Bogota, the governments of Colombia and Venezuela will review the state of the trade relations between the two countries, which have visibly deteriorated during the last few years as a result of the crisis that has affected their respective economies.

On that day President Belisario Betancur will open the forum "Present Situation and Prospects for Colombia-Venezuela Economic Relations", a debate between the two countries by the Chamber of Commerce and Integration. Representatives from all departments participating in international trade from both countries will attend.

Trade between the two countries has decreased considerably during the last few years, dropping from \$500 million yearly to less than \$150 million. This situation has had the greatest impact on the border trade, with serious negative consequences for the Colombian economy in Cucuta and other areas.

The adoption of protective measures by both governments, sometimes in violation of the norms established by the Andean Group, will be one of the main topics discussed during the Colombia-Venezuela meeting.

The executive president of Comvenezuela, Felix Moreno Posada, stated that the meeting will make it possible for the governments and private sectors to establish norms by means of which the economic and trade relations will revert to the pre-crisis level.

He pointed out that this is the first time that political divisions, governments, business leaders and laborers meet to discuss the future of these relations.

President Betancur and the leaders of the Colombia-Venezuela Integration Chamber, Ignacio Chiappe Lemos and Reinaldo Figueredo Planchart, will present talks during the opening session.

On that same day the former president of Venezuela, Carlos Andres Perez, will give a talk on the outlook for relations between the two countries. Also giving talks will be the Colombian minister of economic development, Ivan



Duque Escobar, the Venezuelan minister of development, Hector Hurtado, and the coordinator of the Cartagena Accord Commission, Pedro Carmona.

On the 14th a round table discussion will be held on the state of labor and trade unions in the light of economic relations between the two countries. Taking part will be, among others, from Venezuela the president of Fedecamaras [Venezuelan Federation of Associations and Chambers of Commerce and Industries], Adan Celis; and from Colombia the presidents of ANDI [National Association of Industrialists], FEDEMETAL [Colombian Federation of Metal Industries], FENALCO [National Federation of Businessmen], SAC [Association of Colombian Farmers], CONFECAMARAS [Confederation of Chambers of Commerce], CTC [Confederation of Colombian Workers], CGT [General Confederation of Labor] and the Chamber of Commerce of Bogota.

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CSO:3348/381

INTER-AMERICAN AFFAIRS

ARGENTINA-CHILE REFORESTATION COOPERATION

Santiago TERCERA DE LA HORA in Spanish 12 Feb 85 p 4

[Text] Temuco---The Argentine delegation comprising officials of the Department of Agriculture of the province of Neuquen returned home, impressed with the natural wealth of Region IX.

This was reported by the ministerial regional secretary of agriculture, Enrique Navarrete, who participated in the 1-week visit by the Argentine group to the zone.

From the technical standpoint, the professionals from the neighboring country announced that specialists will be sent soon to learn about the work being done by the National Forestal Corporation (CONAF) in Region IX, especially in the area of forestation, maintenance of national parks, and plant production.

Enrique Navarrete expressed satisfaction with the results of this experience, "because it showed that our programs are of high quality."

"As a result of the initiation of this exchange of experiences," he explained, "we may complement this mutual learning with a visit by Temuco officials to the province of Neuquen."

In addition, the Argentines expressed great interest in CONAF's fire prevention program. They also visited the operations center and some forest fire lookout towers.

Finally, the ministerial secretary indicated that the "actions taken during the Argentine delegation's stay truly reflect an important stage in the development of bilateral integration in this region."

8926

CSO: 3348/397

INTER-AMERICAN AFFAIRS

COLOMBIA, ECUADOR AGREE ON BILATERAL TRADE MEASURES

Bogota EL TIEMPO in Spanish 17 Feb 85 p 16-C

[Article by Hector Gonzalez and Edison Parra: "Impetus for Frontier Trade"]

[Text] Rumichaca, 16 February--President Belisario Betancur of Colombia and President Leon Febres Cordero of Ecuador reiterated here today their intention of improving and expanding the trade exchange between the two nations, on mutually beneficial and nondiscriminatory bases, with the signing of the Rumichaca Declaration, which establishes their views on the economic, political and social situations in Latin America and its relations with the developed world.

At the same time, the chiefs of state asserted their "mutual interest in providing the broadest facilities for transit by persons, vehicles and goods coming from each country, within the proper systems of guarantees and controls which should be implemented by the pertinent authorities, such as to lead to the adoption of measures providing flexibility and coordination."

The chief executives also expressed their "firm will to seek joint agreements to harmonize policies and the administrative and judicial procedures which govern the frontier integration zones."

In another decision of importance to better trade relations between the two countries, Betancur and Febres agreed to establish similar systems for the operation of the National Frontier Centers, of which the networks of customs officers are a part, in order to provide better services to users and to exert better control over international transit and traffic.

It was agreed in addition to give priority attention and treatment to the situations of conflict resulting from frontier traffic, and in connection with the seizure of vehicles at the frontier, they announced that they will instruct their authorities to use and strengthen the administrative mechanisms, before submitting each individual case to the pertinent legal jurisdiction. They also recommended speed in the proceedings already initiated.

They termed a prompt assessment of the results achieved with regard to undocumented citizens in both countries necessary, and they again confirmed their decision to promote cooperation between their governments in order to sponsor concrete action on the following projects of mutual benefit:

Electric interlinking, use of the credit offered by Colombia for electrification programs, geothermal energy operations in the frontier zone with the assistance of the OLADE [Latin American Energy Organization], cooperation in the human, animal and plant health sectors, cultural and educational cooperation, technical and scientific cooperation, and cooperation for the development of joint programs to promote and sponsor tourism between the two countries.

On the subject of cooperation in the Amazon region, they agreed to sponsor the actions required, through the ministries of public works in the two countries, for the construction of the international bridge over the San Miguel River, in order to link the intendency of Putumayo, in Colombia, with the province of Napo, in Ecuador.

The two presidents will encourage bilateral or mixed plans, programs and enterprises in the integration zones, in which, in addition to the public sector, the private sectors involved will participate actively.

Similarly, they will be pleased to see the establishment of a corporation with binational private capital, which can function as an international marketing agency in the frontier zone.

Presidents Betancur and Febres instructed Minister of Foreign Affairs Augusto Ramirez Ocampo of Colombia and Minister of Foreign Relations Edgar Teran of Ecuador, respectively, to sign a memorandum of understanding setting forth the pertinent bilateral commitments and mechanism.

5157

CSO: 3348/413

ARGENTINA

SENATORS ON VISIT OF U.S. ASSISTANT DEFENSE SECRETARY

PY091650 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0338 GMT 9 Mar 85

[Text] Buenos Aires, 9 Mar, (NA)--After a 3-day visit to Argentina during which he held meetings with both his Argentine counterpart Horacio Jaunarena and Foreign Minister Dante Caputo, and also with several lawmakers, U.S. Deputy Assistant Secretary of Defense Nesto Sanchez today left for Chile amid strict security measures.

Within the parameters of a Latin American tour, which included Brazil, and will conclude with a visit to Chile, Sanchez described to all his interlocutors the serious situation afflicting Central America and Washington's position vis-a-vis Nicaragua.

The U.S. official, who yesterday held a 1-hour meeting with Caputo, stated at the conclusion of the meeting that he concurred with the Argentine foreign minister on "The enormous importance for Argentina that the civilian power prevails over the military institutions."

Sanchez today left for Chile aboard a special airplane which took off from the airport located in the town of Don Torcuato, in Buenos Aires Province, amid strict security measures.

In addition, Sanchez last night feted a group of lawmakers and high-ranking officers from the three branches of the armed forces, with whom he offhandedly discussed the situation in Central America and the relationship between the civilian and military powers, among other issues.

The U.S. official will leave for Chile today, as part of a Latin American tour which also included Brazil.

Upon leaving the residence of U.S. Ambassador Frank Ortiz, where the banquet was held, Senator Juan Trilla stated that "the relationship between the civilian and the military powers within a democratic society" was discussed and that the visitor noted "the importance that this issue has in this country."

In that regard, Trilla stated that "the evolution of that matter in Argentina, where the military power is also becoming subordinated to the civilian power," was also reviewed.

For his part, Senator Julio Amoedo termed the meeting as "a social get-together," although he stated that President Raul Alfonsin's upcoming visit to the United States and "the economic recovery" of that country were also discussed.

Nevertheless, other sources, who also participated in the meeting, admitted that the situation in Central America was also discussed during the talks.

Besides Trilla and Amoedo, the presence of Deputies Alvaro Alsogaray, Juan Jose Manny, and Alberto Melon could also be noticed.

For his part, in statements to the press upon the conclusion of his meeting with Caputo, Sanchez emphasized "the enormous importance of President Alfonsin's trip to the United States" concerning the future of the bilateral relations.

Sanchez, who was accompanied by the U.S. ambassador, stated that he discussed with Caputo "issues of general interest, including the situation in Nicaragua and Central America," as well as Alfonsin's forthcoming trip to Washington.

CSO: 3348/461

BARBADOS

PEOPLE'S PRESSURE MOVEMENT PLANS NATIONAL CAMPAIGN

FL152010 Bridgetown SUNDAY ADVOCATE in English 10 Feb 85 p 2

[Text] The small but vocal People's Pressure Movement (PPM) has described the recently formed Workers Party of Barbados as one which promotes "social doctrines" foreign to the island.

PPM leader Mr Eric Sealy and his deputy, Mr Winston Parris, said yesterday that theirs was the "real third party" in Barbados since it had been articulating the problems of thousands of Barbadians for many years.

"Indeed, the PPM has been accepted by thousands of Barbadians as an effective movement, capable of analysing all matters of paramount national importance. We have also challenged both major political parties, the ruling Barbados Labour Party and the Democratic Labour Party on many issues," Mr Sealy said.

He indicated that even though the PPM had been silent for some time, it had maintained all its connections with its supporters, and will mount a nationwide campaign in order to clarify its position on its recent silence and on a number of issues.

Last week, General Secretary of the Movement for National Liberation (MONALI) Dr George Belle announced the formation of the Marxist Workers Party of Barbados.

Mr Sealy said: "The democratic systems of Barbados cannot at this time become contaminated by foreign ideologies and confused by people who are the victims of educational conceit and advocates of racial and social doctrines."

The PPM leader said while both major political parties have failed to justify the confidence thousands of Barbadians place in them, the PPM remains happy that "neither party has been guilty of the violation of human rights, and freedom of expression has been accepted as a way of life."

What the PPM is concerned about, Mr Sealy noted, was the alarming increases in crime, the ever-rising cost of living, the arrogance of some politicians and the serious unemployment and underemployment levels in the island.

Both Mr Sealy and Mr Parris said they expect a general election to be called in Barbados no later than October of this year, and the PPM is prepared for such an event.

27 March 1985

## BARBADOS

## FIVE NAMED TO FIRST ELECTORAL AND BOUNDARIES COMMISSION

## BLP Nominations

Bridgetown THE NATION in English 6 Feb 85 p 1

[Article by Neville Martindale]

[Text]

**TWO lawyers, two retired civil servants and a university professor have been appointed to Barbados' first Electoral and Boundaries Commission, it was reliably learnt yesterday.**

Appointment of the commission was first proposed by the ruling Barbados Labour Party (BLP) in its 1976 general election manifesto.

Members of the commission said to be nominated by the BLP are: Mr. Kenrick "Buz" Jordan, retired Chief Labour Officer, who is expected to head the commission; Mr. Philip Serrao, attorney-at-law and senior partner in a Bridgetown law firm, and Mr. Merton Hewitt, retired Post Master General.

Mr. Asquith Phillips, QC, and Dr. Keith Hunte, principal of the Cave Hill Campus and pro-vice chancellor of the University of

the West Indies, are to represent the Democratic Labour Party (DLP), now in Opposition, on the commission.

Mr. Jordan, 56, was personnel officer, Department of Highways and Transport; senior personnel officer, Ministry of Communications and Works; and labour officer in the Department of Labour before retiring as Chief Labour Officer.

Mr. Serrao, 39, qualified as an attorney-at-law in 1972, and is the senior partner in the Bridgetown law firm of Fitzwilliam Stone and Alcazar.

Mr. Hewitt, joined the Barbados Civil Service in 1942 and retired as Post Master General last year.

Mr. Phillips, 51, was a former Deputy President of the Senate and chairman of the Public Assistance Board during the DLP administration.

Efforts were made by the DLP to secure for the chairmanship of the commission, the distinguished Barbadian, Professor Sir Roy Marshall, who is now vice chancellor of the University of Hull in Britain.

Speaking to the Press three weeks ago, on the eve of the BLP's annual general con-

ference, BLP chairman, Dr. Richard Cheltenham, said the commission would be announced within weeks.

Dr. Hunte, who joined the university's staff in 1964, served for four years, between 1976 and 1980, as dean of the Faculty of Arts and General Studies, before he was appointed deputy principal of the Cave Hill Campus in 1980. He acted as principal until the retirement of Sir Sidney Martin.

Dr. Cheltenham, who is also Minister of Agriculture, indicated then that all the persons proposed for the commission had already been approached and that an announcement would be made shortly.

He said three members would be chosen by the BLP and two by the Opposition Democratic Labour Party.

And speaking to the conference on the subject of elections, in his capacity as BLP political leader, Prime Minister Tom Adams said: "I wish to announce that the members of the Electoral and Boundaries Commission have been appointed, and the commission will begin functioning in the very near future."



## Voter Registration Figures

Bridgetown THE NATION in English 6 Feb 85 p 3

[Text]

THE total number of voters in the 27 electoral constituencies of Barbados is 189 016.

This was the number recorded in the last annual Voter's List, published on January 25, in accordance with the Representation of the People Act.

The highest number of voters are recorded in Christ Church West, — 8 655, and Christ Church West Central, 8 699. The lowest number of voters on the list are in St. Philip North — 6 210.

The Barbados Constitution (Amendment) Act, 1981 (24) schedule provides for equality of the electorate in a constituency so far as is practicable, not exceeding 110 percent or 90 percent of the total electorate divided by the number of constituents therein.

On that basis of equality, the average number of voters in the constituencies should be about 7 700, and the minimum should be 6 300.

According to the new Voters'

List, the number of voters in the constituencies is:

City of Bridgetown .....	6 873
St. Michael South .....	7 039
St. Michael East .....	6 574
St. Michael South Central .....	6 686
St. Michael Central .....	6 667
St. Michael South East ..	7 244
St. Michael Central East ..	6 791
St. Michael North .....	7 052
St. Michael North West ..	6 854
St. Michael West .....	7 034
St. Michael West Central ..	6 379
Christ Church West .....	8 655
Christ Church West Central .....	8 699
Christ Church East Central .....	7 036
Christ Church East .....	8 117
St. Philip North .....	6 210
St. Philip South .....	6 868
St. George North .....	6 792
St. George South .....	6 756
St. John .....	6 934
St. Joseph .....	7 022
St. Thomas .....	7 473
St. James North .....	6 289
St. James South .....	6 284
St. Peter .....	7 781
St. Andrew .....	6 280
St. Lucy .....	6 627

CSO: 3298/433

27 March 1985

## BARBADOS

## BWU LEADER WALCOTT VOICES DIFFERENCES WITH GOVERNMENT

## Job Opportunities Issue

Bridgetown THE WEEKEND NATION in English 1-2 Feb 85 p 1

[Text] **NO relief of unemployment in Barbados is seen by the Barbados Workers' Union (BWU) boss, Frank Walcott. Not unless there is an upturn in sugar, tourism and manufacturing.**

If there is such an upturn, Mr. Walcott suggested, manufacturing should be given a big promotional boost. But one of the problems, he added, was, to put it mildly, that

Barbados was a learner and not a big trader, like Japan and Southeast Asia were -- "countries that were in manufacturing even before Barbados had people in 1627."

Turning to companies going bankrupt with a resulting loss of jobs, Mr. Walcott told a Press conference yesterday some businesses went bankrupt because of bad management, and there was no means of getting rid of the manager who was also the owner.

He pointed out he was not sympathetic with some people who ran businesses badly because some of them, after they went bankrupt, still owed the money deducted from the workers.

He said 25 percent of the union's income remained in the hands of employers every month because of the check-off system of dues, and that money reached the union at the middle of the next month.

He added: "There are hundreds of thousands of dollars that have been deducted from the workers, and some of the employers whose companies went bankrupt have gone away without paying the money."

With regard to a picture of the unemployment situation, Mr. Walcott called for an up-to-date manpower survey so that a statistical analysis could be made of the people unemployed.

"What you get here is a political analysis of unemployment," he said.

## Opposition to Expatriate School Head

Bridgetown THE WEEKEND NATION in English 1-2 Feb 85 p 1

[Text] **THE Barbados Workers Union (BWU) is against any expatriate headmaster for the Lodge School.**

A report about such a proposal, reportedly made to Cabinet, was published in another section of the Press.

The former headmaster, Aurelius Smith, a Barbadian, was dismissed. His dismissal came after a legal battle.

Mr. Frank Walcott, BWU general secretary, said at a Press conference yesterday:

"The union would like to state most emphatically that the suggestion to bring an expatriate to head the Lodge School is completely out of character with what has taken place in Barbados over the last 25 years.

"Barbados has moved away

from the concept of being unable to manage its own affairs. And with the introduction of independence some 18 years ago, with a university in existence in the Caribbean nearly four decades ago, and a campus in our midst, in addition to the long tradition of education in Barbados, we regard it as an insult to the people of Barbados to suggest at this time that we are incapable of finding a suitable person to head the Lodge School," Mr. Walcott said.

That was not a question or matter, he said, that anyone should be debating in Barbados. There were too many examples to show that that stage has been passed, he said.

He cited examples of head-

masters and headmistresses that Barbados had produced.

He added: "We in the BWU hope that teachers of Barbados and the whole education fraternity would understand that this national issue is even beyond them; but that they have to rise up and show that the teachers and the teaching profession represent a voice that is important."

The BWU, he said, had no hesitation in stating that it would take positive measures to demonstrate "our disgust about such proposal, and show that our country is not operating under the pre-colonial methods when we are in an independent era ready to celebrate the 20th anniversary of our independence."

## Stand on Sunday Shopping

Bridgetown THE WEEKEND NATION in English 1-2 Feb 85 p 1

[Text]

THE Barbados Workers' Union is unalterably opposed to Sunday shopping.

Making the union's position "crystal clear" yesterday, Frank Walcott, said, "We do not see any economic grounds for it. We do not see any social or cultural grounds for it either.

"And if it is a figment of a person's imagination, we intend to dispel it forever, because we do not intend to live by that nonsense that is being projected," he said.

He was reacting to the opening of stores on Sundays around the last Christmas holidays and the

controversy generated as a result of this move to cash in on more business at that time.

Mr Walcott told reporters: "There are areas where people have to work on Sundays. But we do not subscribe to any sectarian view that you must work on a particular day. We subscribe to the view that there are certain areas of employment that we regard as premium time and therefore should be paid for as such. That is what people should be prepared to live with in a modern age."

The general secretary described the working hours of

policemen and firemen as "odious comparisons" when they were compared with those of other workers, adding "we do not answer those childish arguments because we do not consider them worthwhile in an industrial setting."

What the union considered an infringement of the rights of the poor and defenceless workers was, he said, the myth of increased sales. He said this would cause workers to revert to work in stores at night after more than 40 years of social emancipation.

The union was opposed to that, he said.

CSO: 3298/433

BARBADOS

GOVERNMENT'S ASSISTANCE TO SUGAR INDUSTRY DEBATED

Cheltenham on Price Supports

Bridgetown BARBADOS ADVOCATE in English 30 Jan 85 p 2

[For report on assurance of continued government support for the sugar industry announced to Parliament by Minister of Agriculture Richard Cheltenham on 29 January, see FBIS Latin America DAILY REPORT, Vol VI, No 020, 30 January 1985, p S 1]

[Text]

Agriculture Minister, Dr. Richard Cheltenham hinted yesterday in the House of Assembly that this year might be the final one for Government to offer price support for the Barbados sugar industry.

Opening debate on the Resolution to approve the guarantee by Government of the payment of the principal and interest necessary for the redemption of a bond issue for Bds\$15 million under the Sugar Industry (Support Price) Act 1982, Dr. Cheltenham said:

"The price support was so structured that repayment of the principal and interest was to result from increases in the price of domestic sugar.

"The proceeds from the increase go into a Sinking Fund but there is a limit to how high the price of domestic sugar can be pushed and how long the country can continue to operate the price support to the industry structured along present lines."

He continued: "We have exhausted the usefulness of this price support formula structured as I have described it, and now that the financial crisis has deepened, we must arrive at a new formula of subsidy and support."

Dr. Cheltenham said that any new formula must "reflect the modest means available to the Government and the fact that our resources are finite, not infinite."

He added: "The challenge to the Government and the industry is to use its experience, imagination and resourcefulness to arrive at an acceptable formula

of subsidy and support for the years immediately ahead.

"I look forward to the industry and Government working closely together in pursuit of this goal."

Dr. Cheltenham noted that this was the third successive year that Government was seeking the approval of Parliament to guarantee a bond issue for the Barbados sugar industry.

The first issue was raised in 1983 for \$17 million; the second in 1984 for \$10 million; and this year for \$15 million.

This year's price support paid to local cane farmers and processors is the difference between the support price (\$855) and the ex-factory price from foreign and domestic sales (\$600) per ton of sugar.

In giving the background to the reason for the bond issues, Dr. Cheltenham explained that in 1981 the local sugar industry experienced a sharp drop in the value of its sugar receipts from its principal market, the European Economic Community (EEC).

This resulted directly from the strength of the United States dollar, to which the local currency is linked at Bds\$2 to US\$1, in relation to the European currencies that constitutes the basket in which we are paid -- European Currency Units (ECU's) Dr. Cheltenham said.

The result of the steady decline in earnings from a high of Bds\$900 in 1980 to around \$600 today, "plunged the industry into a financial crisis and threatened the liquidity of the banking system," Dr.

Cheltenham stated.

These adverse price movements took place at the same time as production in the industry was falling, from 135 000 tons in 1980; to 96 000 tons in 1981; 88 000 tons in 1982; some 85 000 tons in 1983, rising to 100 000 tons in 1984 and the forecast for 1985 is set at 115 000 tons.

Dr. Cheltenham said that with its high fixed and overhead costs, unless the local sugar industry could produce a minimum of 100 000 tons, its unit costs would continue to increase.

He stated that it was against this background that Government decided to facilitate the industry by guaranteeing the bond issues.

"This price support as it is known, has had

the effect of stabilising the financial situation within the industry and even though the indebtedness of the industry to the banking system has grown, the banks, because of the additional credit created through the bonds, did not call its loans," Dr. Cheltenham said.

"The Government's action, therefore, in guaranteeing the bond issues may be seen as having effectively staved off a wave of bankruptcies in the industry."

He added: "The dominant assumption informing Government's decision to guarantee the bond issue was that the liquidity crisis would have been temporary, and that after a few years, certainly by now, the industry's financial health would have been partially restored."

### Structural Features of Supports

Bridgetown BARBADOS ADVOCATE in English 30 Jan 85 p 2

[Text]

Barbados Agriculture Minister, Dr. Richard Cheltenham yesterday described the structural features of Government's price support policy for the Barbados sugar industry as being four-fold.

The first aspect is that it is off-budget. The money does not come from the Barbados Treasury. Price support as currently structured is therefore not a subsidy.

And, though it has been helpful in stabilising the financial situation within the industry, keeping the farms in cultivation and staving off bankruptcies, it had not reduced the industry's overall indebtedness, Dr. Cheltenham said.

The second feature is that the payments made to the growers are in the form of a loan convertible into a grant depending on production. In short, it has been used as an incentive to higher output.

The third feature is that the price support, when given to the farmers or factory

operators, goes directly to the Barbados National Bank now servicing the financial needs of the industry along with Barclays in the ratio of 65 per cent to 30 per cent with five per cent financing coming from other sources.

So long as the farmer or operator who qualifies for price support owes the BNB, the monies constituting the support are credited to his account. This serves to help provide liquidity to the banking system principally involved in sugar financing. In addition, it has allowed the banks to avoid calling the loans.

The fourth and final feature of the price support is what has come to be known as linkages or conditionalities. Here Government, as a condition of the guarantee, insisted on the industry moving in certain directions, mostly to improve its technical and institutional efficiency.

## Success of Government Conditions

Bridgetown BARBADOS ADVOCATE in English 30 Jan 85 p 2

[Text] Three of the linkages Government has insisted on as a condition of its guarantee of the payment of the principal and interest necessary for the redemption of sugar bonds have been "eminently successful."

Referring to these in the House of Assembly yesterday, Agriculture Minister, Dr Richard Cheltenham said they were the green cane incentive scheme, the removal of anomalies in the cane insurance provisions and the employment of grower liaison officers and a small-holder affairs officer.

Dr Cheltenham said the green cane incentive scheme and the removal of anomalies in the cane insurance provisions reduced total acres burnt (canes and trash (from 26 percent in 1982 to six percent in 1984, or, exclusively of trash and dealing only with canes, from 23 percent to 4.3 percent in 1984.

He stated that Government's insistence on the employment of liaison officers has encouraged farmers, large and small, to remain in production and has helped to improve coordination between field and factory, leading to the excellent recovery rate realised in the last crop, of 8.1 tons of net cane yielding one ton of sugar.

One feature of the price support scheme which was introduced last year, relating to the conversion from loan to grant formula, and which Dr Cheltenham termed a "great success," was the decision to make the payment to the small operator, defined as one producing less than 400 gross tons, an outright grant, a feature which will continue for the 1985 crop.

The Agriculture Minister noted that in 1980 small holders were contributing about 15 percent of cane to the total output but for the 1984 crop this had fallen to 10 percent.

"It is important that we keep it at that level as a minimum while we struggle to regain lost ground," he stated.

## Criticism of Union

Bridgetown BARBADOS ADVOCATE in English 30 Jan 85 p 2

[Text]

The Barbados Workers' Union was yesterday accused of being partly responsible for the financial problems now being experienced by the local sugar industry.

The accusation came from Agriculture Minister, Dr. Richard Cheltenham as he moved the Resolution in the House of Assembly seeking approval for Government to guarantee the payment of the principal and of interest necessary for the redemption of the bond issue for \$15 million under the Sugar Industry (Support Price) Act, 1982.

He told the House that the sugar industry's problems started in 1981 when the BWU called for an additional \$5 million for sugar workers, from the profits of the 1980 sugar crop.

The 1980 crop had produced a record 135 000 tons and "the price of sugar was reasonably good," Dr. Cheltenham stated.

He declared that the \$5 million demand was made in spite of the union already having agreed to wages agreements with the then Barbados Sugar

Producers' Association.

The sugar harvest did not start until late March and then ill-fortune struck with the following month, April, becoming the "wettest in recorded history."

The rains continued and with the increasing use of mechanical harvesters and cane-cutters, the situation led to heavy compaction of soils.

The 1981 harvest did not end until August and in addition to the fact that many estates did not reap all their canes, the growing period of the 1982 was also shortened.

"The result was 96 000 tons in 1981, 88 000 tons in 1982; 85 000 tons in 1983 but with the situation beginning to improve to 100 000 tons in 1984," Dr. Cheltenham stated.

He added: "It was a self-inflicted wound which afflicted the industry for three years. The industry lost many times over \$5 million and the experience shows the need for continual early starts to harvesting," he said.

## Opposition Views

Bridgetown BARBADOS ADVOCATE in English 30 Jan 85 p 1

[Text]

The Opposition spokesman on Finance, Dr. Richie Haynes, maintains that Government's price support mechanism to the sugar industry over the past two years has simply not dealt with the problems facing the industry.

And he has suggested a subsidy to the industry instead of a further price support.

Dr. Haynes told the House of Assembly yesterday that the price support mechanisms had only postponed the sugar industry's problems.

"It is certainly not the answer to the sugar problems in Barbados and should not be the main focus of public policy as far as I can see," Dr. Haynes said.

He felt there was good justification for borrowing foreign exchange to lend to the sugar industry.

"We are talking now of maintaining over 4 000 permanent jobs rather than spending money in bricks and mortar and other capital projects that can only employ people for a short period of

time."

"It is justifiable to offer the industry a subsidy at this point in time rather than any further price support," he said.

Dr. Haynes also said there was a case for a five-year moratorium on interest payments owed by the sugar industry to give the industry an opportunity to recover a more reasonable capital structure over that period.

Dr. Haynes said Government suggested that the export levy of 1975 had resulted in serious decapitalisation to the sugar industry. But he submitted that it was the collapse of the sugar levy funds in 1981 and the allocation of these funds to various segments of the sugar industry, in order to correct various imbalances, particularly in the area of short-term borrowing for long-term capital financing.

Dr. Haynes said there had been a progressive loss of lands under sugar under the Barbados Labour Party since 1977 and not an increase of lands under cultivation.

He said that subsequent to 1981, the yield of sugar per tonne of cane improved but did not reach the required levels enjoyed in previous years under his Democratic Labour Party.

He said the failure of the BLP to give effect to their stated policy of bringing idle lands back into production had nothing to do with "wickedness on their part" but to the intrinsic economics of the industry.

"The sugar industry was never bankrupt under the DLP, nor did it require public support, employment levels were high, both in crop and out of crop. There was no threat to any financial institution in Barbados," Dr. Haynes said.

Dr Haynes added that "the plantation owner made a profit, factories made a profit and the small farmer could grow canes at a profit in a free market without any public support of any kind."

He said that price support has done more to maintain the viability of the

Barbados National Bank than to enhance the viability in the long term to the sugar industry.

"The price support does little more than service the interest on loans to the industry and keep the books of the Barbados National Bank in reasonable shape."

But Dr. Haynes said the case for the retention of the sugar industry could not be contradicted.

He said there was a clear case for the diversification of the end product of canes.

One of the areas where he felt a critical look should be taken was the production of alcohol from cane.

He said Government should have looked "a bit more" at the diversification enhancement and the contribution of sugar to energy in Barbados.

"If this was done we would not be in the situation that we are in today," he said.

CSO: 3298/434



BARBADOS

## FOREIGN RESERVES SUFFICIENT TO COVER 3 MONTHS' IMPORTS

Bridgetown THE NATION in English 28 Jan 85 p 20

[Text]

BARBADOS now has enough foreign reserves to accommodate just over three months imports.

This was revealed yesterday by Prime Minister Tom Adams, who added that this country's Treasury took in some US\$3 million during the past week.

He said that liquid reserves — reserves outside the CARICOM facility — represented about half of the present foreign reserves.

Questioned on whether Barbados would soon return to the 100 000 mark employment figure as he hoped would obtain during this year, Mr. Adams said this would depend on where job-creation activities were concentrated.

"If it is concentrated in the foreign exchange industries, tourism and manufacture for export, especially for export outside CARICOM, you can reach any level of job creation.

"If it is concentrated on other areas, especially other areas of consumer lack of foreign exchange, you will not easily be able merely by local fund priming to create that number of jobs."

Mr. Adams predicted that if this year's initiatives already taken by Government paid off without any particular fund-priming, people would again come to this island, buy duty free items and support the small tourist businesses, like restaurants, which will eventually have to take on more staff.

He said the country was still expanding in the electronic industry, where there had been an increase in the value of their exports.

Mr. Adams said the construction projects should employ about 1 900 people in an overall programme of which 500 persons were "already at work".

He added: "If the general overflow of American prosperity which has flowed over into Canada and which has flowed over into Barbados, continues, and I have every reason that American appetites for imports will increase and the initiatives being taken by the Industrial Development Corporation and the Export Corporation will also generate some employment."

CSO: 3298/434

BARBADOS

BLACKMAN REVIEWS ECONOMY, FORECASTS 2.5-PERCENT GROWTH

Bridgetown BARBADOS ADVOCATE in English 7 Feb 85 p 1

[Text] Real output in the Barbados economy is expected to increase by about two and a half percent this year, Governor of the Barbados Central Bank Dr Courtney Blackman has said.

Accounting for this growth rate is the local tourist industry, which Dr Blackman says should grow by about five percent. Tourist arrivals should increase by about 8.5 percent above those for 1984.

Other positive signs anticipated this year are an increase in Government expenditure, an upturn in the construction industry, and a slight decline in the level of unemployment.

The outlook for the economy has been included in this month's market commentary prepared by Mr Hilford Murrell, manager of Barclays Bank Trustee Department.

Dr Blackman said the anticipated capital works projects should lead to an increase in Government expenditure.

He also had something to say about manufacturing, which has been experiencing pressure in recent years.

The Central Bank Governor warned that unless trade restrictions were eased, manufacturing output will continue to be depressed and output might decline by one half of one percent.

Output of electronic components should, however, continue to increase at a fairly rapid rate, Dr Blackman said.

He said the balance of payments was expected to remain under pressure.

"Even though the current account deficit should be less than in 1983, private and public sector debt repayments will reduce net long-term capital inflows to levels slightly below those in 1984," Dr Blackman added.

Reviewing last year Dr Blackman said the economy recorded real growth in 1984, for the first time since 1980. Real output rose by 2.4 percent.

Responsible for this were an impressive growth in the electronic industry, and nonsugar agriculture and energy, which continued to do well in 1984. Other sectors remained sluggish.

Overall manufacturing declined by about two percent and the slump resulted in several factories closures and the loss of jobs.

CSO: 3298/434

BARBADOS

GRIFFITH IN ROW WITH OIL BOARD, NOMINATES NEW SLATE

Background to Quarrel

Bridgetown SUNDAY SUN in English 3 Feb 85 p 40

[Text] A major showdown between Minister of Energy, Senator Clyde Griffith, and the board of the Barbados National Oil Company has led the minister to decide to appoint a new board to manage Barbados' multimillion-dollar oil company.

The showdown follows the dismissal on Wednesday of security officer, Mr Bertram Flemming.

Chairman of the company, Louis deVerteuil, his deputy, David Trotman, and Teddy Griffith are to be dismissed after refusing to submit their resignations to the minister last week.

Only Mrs Phyllis Roett and Gordon Jordan of the board submitted their resignations. The two other members of the board are Grantley Smith, who represents the Director of Finance and Planning, and Ron Hewitt, corporate secretary.

As soon as the shareholders of the Barbados National Oil Company--the National Petroleum Corporation and Government--hold a meeting, a new board will be put in place.

The dismissal of the security officer was confirmed shortly after the board's last meeting on January 23. Since then it is understood that the minister sought to have the board reconsider its decision.

When the chairman indicated that it would not be reconsidered, the minister called for the resignation of all members of the board Mrs Roett and Mr Jordan subsequently handed in their resignations to the minister.

Senator Griffith refused to comment on the issue yesterday, but sources indicated that the matter was discussed at last Thursday's meeting of Cabinet at which the minister got the support of his colleagues in his proposal to clean up the board.

Chairman, Mr deVerteuil, left Barbados on Friday and could not be contacted for confirmation or comment yesterday.

The dispute between the board and the minister is said to involve other issues, including procurement of supplies; but the main problem surrounded the role of the security officer who was hired last July.

Mr Flemming, a former chauffeur with the Barbados consulate in New York, came to Barbados in March, 1984, to be interviewed for the \$30,000-a-year-job as security officer with the company.

In July he took up the position on three months' probation. At the end of this period, his probation was extended until December 31 because of certain problems which arose between Mr Flemming and management of the company during that period.

He was written at the end of his second period of probation and told that it would be further extended until January 31 by which time he would enjoy no further extension if the board was still not satisfied with him.

He received his letter of dismissal on Wednesday.

The Barbados National Oil Company began operations in January, 1983, after protracted negotiations for its takeover from Mobil Oil Company. It recorded an operating profit of \$5 million for 1983-84 during which time production almost tripled from the output of 875 barrels per day at the time of takeover.

#### Griffith Statement

Bridgetown BARBADOS ADVOCATE in English 6 Feb 85 p 9

[Text]

Senator Clyde Griffith, Minister responsible for Energy, said that he sought the resignation of the Barbados National Oil Company's Board of Directors in order to carry out re-organisation of the company.

He noted that only two agreed to resign and he had no choice but to take the matter to Cabinet and ask for a decision.

He outlined this in a statement issued yesterday on a dispute at the BNOC following which a number of reports were carried in the local newspapers.

The full statement issued yesterday reads:

"Over the past few

days, reports have been carried in the Sunday Sun, The Nation and the Barbados Advocate newspapers suggesting that there is a rift between the Board of the Barbados National Oil Company (BNOC) and myself as Minister responsible for Energy over the decision of the Board to dismiss its Security Officer, Mr. Bertram Fleming.

"These reports are quite false and indeed malicious. The facts are that early in 1984, the Cabinet decided that Mr. Louis DeVerteuil, who is the Government's Director of Petroleum and Natural Gas, and Chairman of the Barbados National Oil Company, should be offered a senior position with the company on a full-time basis, rather than preside over it as Chairman while working part-time for the Government.

"This decision was taken after I had determined with the support of the Cabinet that there was a need for a re-organisation within the Company so that it could cope with its rapid and spectacular growth and in April 1984, I made a public statement about the matter.

"This matter was discussed at various intervals during the past year, because the Chairman was unsure of what he wanted to do. Eventually, several meetings were held between the Chairman and myself last month, January 1985 to resolve the issue.

Mr. DeVerteuil on several occasions made demands that could not be met. His final condition for taking the senior position at BNOC was that he must also be made Chairman and Managing Director.

"I, on the other hand was prepared to consider his case for being a Director and also a full compensation package which took into consideration his several years of experience in the oilfield plus his contributions to Petroleum development in the country, for which he was rewarded in last year's National Honours with the Silver Crown of Merit. As part of the package, he would have been asked to give up his post as D.P.N.G. to make room for someone else.

"The Chairman at our last meeting on 24th January, 1985, indicated his desire to continue in both positions, a situation which was unacceptable. He indicated that he was not prepared to resign and insisted that I would have to revoke his appointment.

"At a meeting of the Board on the same afternoon, members were

informed by the Chairman of his interest in straddling both positions and were asked to support him in this matter.

"To the detriment of the Board's future a majority of the Board members supported the Chairman on this issue. In view of this development and to obtain the support of the company for the Government's policy, I sought the resignation of the Board to permit me to carry out the re-organisation. Of the members to whom I spoke, only two agreed to submit their resignations at that time.

"I had no choice but to take the matter to Cabinet and ask for a decision. Cabinet agreed to requisition an extraordinary General Meeting of the company on behalf of the Government shareholding and to seek the support of the other shareholder, the National Petroleum Corporation for the appointment of a new Board and Chairman. The Cabinet agreed on a list of candidates that the Government would put forward including two members of the existing Board.

"The issue of the security officer, on which the newspapers have concentrated their attention, is minor in this matter. The reports which have related the removal of the Board to its decision to remove Security Officer, Mr. Bertram Fleming, are therefore not only unfounded but serve totally to distract from the true issue.

"Mr. Fleming is a Barbadian who served for a number of years with the Royal Barbados Police Force including service in the Special Branch, prior to his

emigration to New York where he worked as a Security Officer at the Mary Immaculate Hospital from 1968-1974.

After leaving the Mary Immaculate Hospital he worked with the Consulate General of Barbados in New York, as the Security Officer. Although his duties included driving, I am authorised by the Prime Minister to state that Mr. Fleming's security duties touched not only in the physical security of the Consulate premises, but the security of Barbados in a wider sense. While employed by the Consulate, Mr. Fleming applied for the post of security officer with the Barbados National Oil Company and was hired by the company which brought him from New York to work on a three-month probationary period.

"The Board in reviewing the question of security, after an examination of recommendations by the Security Officer, decided that greater emphasis should be placed on the safety needs of the company, and set up a sub-Committee to look at this matter. I supported the Board's view on this, and after a meeting with the sub-Committee agreed that I should seek technical assistance in the form of training for the Security Officer in the area of oilfield safety.

"Requests have already been made to the Canadian authorities in this regard, and commitments have been received not only for safety training, but also for training of other Barbadians for work with the National Petroleum Corporation.

"Given these facts, I confess that I was somewhat surprised at

the sudden change in the Board's position on the Security Officer after he reported certain losses of cement to the Board. But this is not the only area of the Company's approach to its operations which may leave something to be desired. Because of the size of the BNOC operation, procurement contracts are very lucrative and must be carefully monitored. Only recently, several interested parties have made complaints about being excluded from opportunities for tendering.

"In one example, a two-year contract for close to a million dollars was given to a local company without tender. In this case I was satisfied that the Board was unaware of this action and I expressed my displeasure to the Chairman and management of the company.

"There are several other areas of irritation which need to be corrected but which are now being dealt with by the management of the company.

"I am satisfied that the members of the outgoing Board are all capable people, full of integrity and commitment to our country. I have dealt with some of them in other areas of public life and was always impressed with their level of professionalism. In the past, the members of the Board and myself have spent long hours at the Board meetings in a frank exchange of views as they relate to the Company.

"It, therefore, gave me no pleasure to take the stand that was taken but I had no choice, given that the Board had taken a decision which would frustrate the work of the Ministry and the policy of the Government."

## Nominations for New Board

Bridgetown THE NATION in English 6 Feb 85 p 24

[Text] Former director of the Barbados Employers Confederation, Mr Collis Blackman, will replace Mr Louis DeVerteuil as chairman of the Barbados National Oil Company (BNOC).

No official announcement has been made, but it is understood that Mr Blackman heads a list of nine persons recommended by Government to form the new board.

Confirmation of the members of the new board will follow a meeting of the shareholders of the Barbados National Oil Company shortly.

Although Mr DeVerteuil is being replaced as chairman, he will continue as director of the petroleum and Natural Gas Corporation in the Ministry of Finance.

Only two members of the original board are being retained. They are Mrs Phyllis Roett, director of the Barbados Child Care Board and Mr Gordon Jordan, chairman of the Tourism Investment Corporation.

It is understood that only these two submitted their resignations to the minister when he called on board members to resign.

Mr Blackman is managing director of the Blackman Corporation Limited, a firm of industrial relation consultants.

Educated at Providence Boys' School and Foundation, Mr Blackman went on to the University of the West Indies (UWI), and obtained a Bachelor of Arts degree from Mona in 1963.

When he returned to Barbados, he served in the Ministry of Education and Finance, the Establishments Division and the Service Commission.

Leaving the Government service in 1968, he became the first executive secretary of the Barbados Manufacturers Association.

In April 1970, he joined the Barbados Employers' Confederation, becoming executive director in June 1975.

In 1967 he gained a Diploma in Public Administration and in 1980 a law degree, both from UWI, Cave Hill.

He resigned as director of the Barbados Employers Confederation in April 1983.

CSO: 3298/435

BOLIVIA

COMMUNIST PARTY LEADER TERMS COB DOCUMENT 'DANGEROUS'

La Paz HOY in Spanish 9 Feb 85 p 3

[Text] The Bolivian Labor Federation (COB) should not be made into a political party, Simon Reyes, an officer of the Bolivian Communist Party (PCB) maintained, in connection with the document published by that leading labor organization on the crisis situation being experienced by the nation.

Reyes made a brief analysis of the document, one portion of which contains political-social criticism, while the other sets forth conclusions on the Bolivian crisis, pointing to the Democratic and Popular Unity (UDC) policy and the dictatorships of Generals Hugo Banzer and Garcia Meza as the causes of the present situation. Nothing new is to be seen here with respect to the already known aspects of his views.

He set forth contradictions in the document, noting that there are sectors such as the PCB which are not a part of the Unified Revolutionary Directorate (DRU) structure, but nonetheless members of that party are members of the COB.

The DRU is the coordinating organization which would deal integrally with the situation and problems of a sociopolitical nature in the COB.

This situation is dangerous and can lead us to division, Reyes said, urging that in this regard the implicit resolution on the coordinating body (issued at the 6th Congress of the COB in Cochabamba) be taken into account. It calls upon the labor headquarters not to organize a front, but to issue an appeal to the popular forces for the defense of the democratic process, which will prevent its falling into the clutches of fascism, this leader believes.

"The document is dangerous because it disarms the worker in the political situation and simply seeks a clash with the government, rather than saying how we (the workers) should deal with the fascist right wing. The ideal thing would be to include directions as to the ways of defeating the right wing in connection with the change set forth in paragraph a of Point 2 of the conclusions," he said.

In this connection, Reyes asked the question: "How, under the current circumstances, can the working class win power?"



In this connection, this leader said that this is not a new position, because the Trotskyites even urged the destabilization of the current situation, "believing that we were on the eve of the worker-peasant revolution. But unfortunately (I wish that this had been true) we are only seeking to live in the light of the fascist threat in the country," he added.

Higher tasks cannot be set forth under the current circumstances, but it is necessary to consider the objective reality, beyond desires and accusations, Reyes said, going on to explain his view concerning the political document of the COB.

#### Emergency Plan, Elections and Socialism

The goal of the workers class is socialism, which is not set forth in the document, at least directly, in which connection elections must be viewed as a means, not a strategic goal, in the view expressed by Simon Reyes in his analysis of the document issued by the leading organization of workers in the country.

The alternative to the present political situation may be keeping the current democratic process in effect, for otherwise we would run the risk of sinking again into dictatorship, our interlocutor said.

With regard to Point 15, which refers to government concessions to the right wing in advance of the elections, Reyes said that such concessions are not a solution to the national problem. In interpreting the document, the elections appear as a strategic goal, he reiterated, which might not be obvious from what had been said before when there was talk of methods of struggle to achieve this goal, according to the leader.

It is proper to deal with the reality if one takes into account the fact that the elections were scheduled without regard to the will of the labor sector, a fact which gave greater impetus to the right wing, which came to dominate the political scene, he maintained.

Speaking of the emergency plan, referred to in the document as "updated," Reyes said that instead of the current economic policy of the government (as the COB document provides) it should be established what type of program will be used, in concrete terms, in implementing it. Similarly, which class, whether the petty bourgeoisie, the workers, or both, should take charge of the regime should be specified.

The purpose of the emergency plan is not to change the socioeconomic structure of the country, but to resolve the problems in the current crisis within the capitalist system, Reyes added.

There are no concrete details as to how to defeat "electoralism" such that this situation will develop to the benefit of the workers class, he added, concerning the point in which the document says that all political spaces should be utilized. "Are the elections not a political space?" this leader asked.

## COB-Government Relations

A confrontation between the COB and the government would mean the defeat of the government, Simon Reyes emphasized. He stated that in this way, the executive branch would be left without any possibility of compromise.

"The fascist right wing, not the government, is the main enemy of the workers class," according to this statement, in which he referred to the current labor clashes, which in his view were provoked by private enterprise, in the instances of the factory, banking and transport workers.

Speaking of a conciliatory policy, to which the COB said in the document it would adopt another alternative, since that policy aggravated the situation, means admitting that until a short time ago, the workers' position maintained that position alone, such that if it does not change, the national situation would deteriorate further, according to the way Reyes interprets the document.

In a brief summary, he said that the worker has been able to achieve an attitude of tremendous understanding of the political situation, putting political interests, which the document condemns, above all problems.

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CSO: 3348/391

BOLIVIA

LEFTIST DOCUMENT CALLS FOR UNIFICATION OF LEFTIST FORCES

La Paz HOY in Spanish 9 Feb 85 p 3

[Text] Dr Isaac Sandoval Rodriguez proposes that the national left wing unite in support of a revolutionary project, in view of the popular frustration of the scheme sponsored by the UDP [Democratic and Popular Unity].

In the basic document drafted with a view to unification of the national left, a series of considerations requiring that the parties in this sector present the country with a revolutionary proposal is set forth.

In its initial portion, it is stated that the total crisis being experienced by the country is the result of the structural relations in the world capitalist system and the present domestic role being played by the dominant social classes with regard to the forms of economic accumulation and organization of the state. In this connection Sandoval says that since the revolutionary national model with its basically agrarian and mining measures has been historically exhausted, an economic project leading to domination by the financial-commercial oligarchy under the military authoritarianism of Banzer was launched, which although it had available great resources resulting from the rise in the prices of fuels and tin, involving overexploitation of our natural resources, postulated economic growth based on the intensive use of foreign indebtedness at times in excess of the real payment capacity, under the slogan "Peace, Order and Work."

Sandoval Rodriguez adds that while the Banzer faction project is consistent with domination by international industrial and financial enterprises, the UDP administration is maintaining the basic characteristics of this economic accumulation, although politically it utilizes the ambiguities of multiclass populism, supposedly involving unity and nationalism.

He goes on to maintain that if Banzer is to be blamed for making the economy international through irresponsible foreign indebtedness leading the country to agonizing dependence, the UDP also bears its share of the present responsibility, due to inefficient management of the crisis, thanks to its submission to the terms of foreign domination and its maintenance domestically of the same criteria of economic accumulation which favor the dominant classes. Thus, he says, "the transfer of the commitments of private banking to the treasury of the nation through certificates of guarantee, and the tolerance of the hegemonic operation of the speculative economy, can mean nothing else."

Given the dramatic situation being experienced by the people of Bolivia, the decline in production, the abandonment of the state enterprises, the shortage of foodstuffs and, finally, the popular frustration concerning the UDP proposal, Dr Isaac Sandoval Rodriguez says that the national left wing is faced with an urgent need to unite on the basis of a revolutionary proposal which will safeguard the survival of the nation-state and will overcome the profound economic and political crisis being experienced by the country, thus giving the Bolivian people an opportunity to struggle for better conditions of life and a future of social well-being for the generations of tomorrow.

While issuing an appeal to the parties of the left, Sandoval Rodriguez believes that their participation will make it possible to clarify the theoretical content of the revolutionary proposal, to establish a debate concerning the fundamental problems of the country, and to establish the basic causes of the lag and the poverty which plague our people. In other words, electoral political space should be utilized to spread the message of leftist rallying around the construction of the organic tool which will make it possible to win power and carry out the revolutionary tasks.

In the economic sector, he urges the need to develop a planned economy which will devote priority concern to the vital needs of the people, and in particular children, defining productive rationality for the various sectors of the economy and ensuring better use of economic surpluses.

He goes on to say that it is necessary to proceed with a planned economy which involves the whole of productive activity and development of new forms of production based on partnership labor, co-management by the workers, the use of proper technology and modern management criteria.

In the farm sector, he says that planning should lead to the efficient use of the land, overcoming small holdings and the concentration of land in the hands of a few, through family, local and regional and marketing units and the productive forms of partnership labor set forth in the draft basic agrarian law. Also the safeguarding of both renewable and nonrenewable natural resources, because they are the reserve of our national assets and their exploitation falls to the state, is needed.

Finally, Dr Isaac Sandoval believes that it would be well to establish the definition of the national left wing with regard to the armed forces, noting that they are traditionally the authority which supports the state. The type and nature of the state dictate the professional role to which they are institutionally committed. As a result, he says, under the historic conditions provided by a new state representing the majority social classes and the nationalities existing within the national social structure, the sacred duty of the armed forces is to safeguard that state and to guarantee the development of the political proposal which will make the welfare of the Bolivian people viable, as well as defense of the territorial integrity under suitable conditions of technical-professional strengthening and capacity.

BOLIVIA

ABAPO-IZOZOG PROJECT AWAITING IDB LOAN DISBURSEMENT

La Paz PRESENCIA in Spanish 3 Feb 85 p 9

[Text] The Abapo-Izozog agroindustrial project is trying to expand its agricultural boundaries. This requires a credit of \$13.8 million promised by the IDB.

The plan that will be carried out with these funds includes the irrigation of 2,100 hectares with subterranean waters to be carried out over 4 years and the settlement of 300 families of farmers.

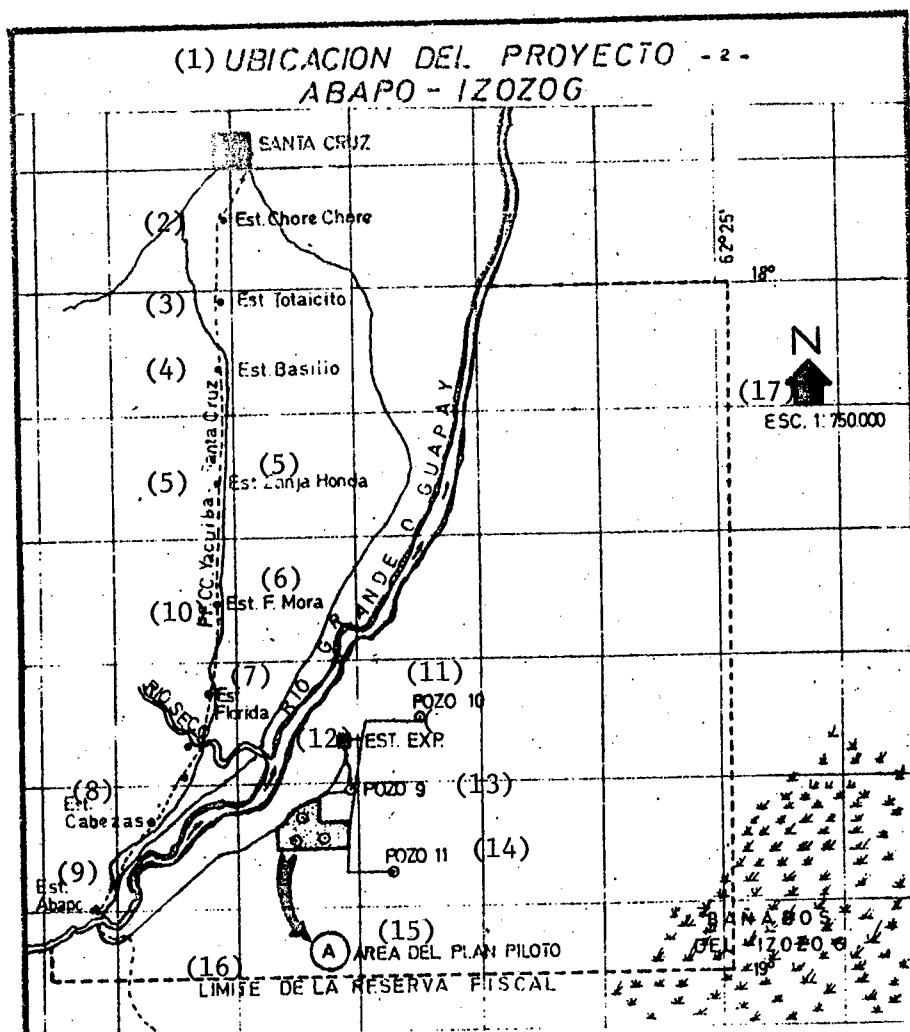
The benefits of the project are to increase cotton production to 966 tons of fiber and 1,365 tons of seed, soybean to 2,415 tons and wheat to 4,620 tons.

Other increases would be achieved in vegetables and fruits with 150 hectares of family gardens, generation of employment for 300 families of farmers and 100 families for services which represents more than 2,000 people and increase in the per-capita income of the farmers from \$800 per year to \$1,266 by the eighth year of the project.

Placement

The government reserve of Abapo-Izozog has 725,000 hectares in Cordillera Province of Santa Cruz Department. Between 1969 and 1978, studies of the soil, climate, geology, ecology, water resources, vegetation, cartography and topography have been done in that area. Since 1971 there have been tests to evaluate: systems of clearing; methods of irrigation; levels of humidity; introduction and selection of crops and varieties; season to plant; response to the use of fertilizers; resistance to insects and diseases; windbreaks created by natural and artificial vegetation; vegetable and fruit production; use of herbicides, insecticides and fungicides; use of agricultural machinery; and the behavior of different types of forage.

As to cattle production, the behavior of cattle was evaluated and tests made on fattening calves. A soil and water laboratory was established. The research done in this laboratory recommends production of cotton and soybean in rotation during the summer and wheat in the winter.



**Key:**

- |  |                                    |
|--|------------------------------------|
| 1. Placement of the Abapo-Izozog Project | 9. Abapo Station                   |
| 2. Chore Chore Station                   | 10. Yacuiba-Santa Cruz Railroad    |
| 3. Totaicito Station                     | 11. Well 10                        |
| 4. Basilio Station                       | 12. Experimental Station           |
| 5. Zanja Honda Station                   | 13. Well 9                         |
| 6. F. Mora Station                       | 14. Well 11                        |
| 7. Florida Station                       | 15. Pilot Plan Area                |
| 8. Cabezas Station                       | 16. Boundary of government reserve |
|  | 17. Scale                          |

**Production**

The report by engineer Eliseo Colque Gutierrez of CORGEPAI [Agent Corporation of the Abapo-Izozog Project] stated that the units of agricultural production were put on a commercial scale in 1975. It added that in 1978 there were 1,023 inhabited hectares in the project area. Some 416 were allocated to agricultural crops under irrigation and 192 were not used agriculturally. It stated

that the current use of land is as follows: irrigated area, 469 hectares; unirrigated crops, 347 hectares; area with at least 650 head of livestock, 7,000 hectares; irrigated area of the first integral cooperative of farmers, 726 hectares. The total is 8,542 hectares. According to the report, the above shows that there are 1,322 hectares for agricultural use, 7,000 hectares for extensive livestock use, 20 hectares for dairy use with irrigated pasture and 200 hectares of unirrigated pasture.

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BOLIVIA

AGREEMENT SIGNED WITH JAPAN WILL PROVIDE FARM SUPPLIES

La Paz PRESENCIA in Spanish 12 Feb 85 p 11

[Text] Through the signing of an agreement with the MACA, the government of Japan has made its eighth donation of farm supplies. The gift will be administered by the Farm Bank of Bolivia.

To this end, Japan has allocated 400 million yen (\$1.6 million) for deposit in the Kyona Bank Ltd of Tokyo, payable to the Farm Bank of Bolivia. This farm development banking body has bid for supplies of fertilizers, insecticides, fungicides and weed killers being awarded by the Marubeni Corporation. The funds donated by Japan will enable the Marubeni Corporation to deliver the farm supplies to the bank, which is the body representing Bolivia in the management of the resources in question.

The agreement was signed in the office of Minister of Agriculture, Campesino Affairs and Livestock Affairs Guillermo Moscoso Riveros. Those present included the Japanese ambassador to Bolivia, Yabu Tadatsuma, engineer Satoru Kurosawa and Toshio Shimojo, who signed the agreement, along with Under-secretary of Agricultural Affairs Raul Vega Rodriguez and Farm Bank of Bolivia President Walter Pereira A.

On this occasion, Minister Moscoso Riveros expressed his thanks for this new gift. He said that the government of President Siles Zuazo has the highest regard for the great feeling of solidarity the Empire of Japan is showing in times of crisis for the country. He said that it is the campesinos' and small farmers' sectors which are benefitting from this gift, because it is allowing them to reactivate farm production. He urged the bank authorities to manage these agricultural supplies most responsibly, just as they have administered the preceding seven donations, which were supervised by the government of Japan, with its technicians assessing the use made of them. "We have seen and considered this attitude on the part of the brotherly country of Japan," Moscoso Riveros said, "and we want to give it our assurance that this gift will be utilized to the benefit of the national majorities who are committed to recovery of the national economy through the reactivation of the crop and livestock sector."

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BOLIVIA

JAPANESE GRANT TO BE APPLIED TO SULFURIC ACID PLANT

La Paz HOY in Spanish 11 Feb 85 p 5

[Text] The Mining Corporation of Bolivia (COMIBOL) is again considering a gift offer from the Japanese government involving a sulfuric acid production plant.

There is another possible alternative, involving the installation of a decontamination plant, also offered by Japan, and in both cases only the decision of the enterprise is pending.

Background

Some time ago, the reports provided to HOY indicate, Japan offered the COMIBOL these two plants, with a view to collaboration in productive operations.

Various factors, including the market situation with regard to the sale of the surplus, prevented the signing of the agreement and the subsequent installation.

Capacity

According to this information, the sulfuric acid plant would have a production capacity of 15,000 tons per year.

This volume is almost half again as much as the current consumption of the COMIBOL enterprises, which totals 8,000 tons per year.

On the other hand, there is the prospect of taking advantage of this same project (manufacture of sulfuric acid) by utilizing the sulfurous emanations in the volatilization process at La Palca-Potosi.

In any case, since the Japanese offer is still open, the co-management board is attempting to benefit from it in order to have the sulfuric acid available and to put an end to the present import of the 8,000 tons needed.

This plant will cost \$350,000 and could be installed at any mining enterprise, since it is portable. The other decontamination plant has similar characteristics, and thus is easily and speedily installed.

BOLIVIA

COMIBOL READY TO CANCEL CONTRACT WITH MINING COOPERATIVES

La Paz PRESENCIA in Spanish 8 Feb 85 p 6

[Text] "As of last December, the government established a preferential or differential exchange rate for mining cooperatives, with a subsidy amounting to 44,565 pesos per pound of refined tin, a difference which in no way can be absorbed by the COMIBOL [Mining Cooperation of Bolivia]," a statement issued by that enterprise said.

It added that the "fact that the COMIBOL has stated that it will not absorb the difference in this differential rate of 17,484 Bolivian pesos per dollar allocated in payment to the cooperative members, while it is forced to operate with an exchange rate of 8,571 pesos, has led to a series of aggressive statements by the cooperative leaders, who failed to take into account that the mining cooperatives have undertaken and carried out operations, in the vast majority, with the economic and technical support of the enterprise, and that they can pursue their activities thanks to the support thus given."

In response to the statements by the mining cooperative leaders, the COMIBOL said that "the campaign undertaken by the leaders has threatened the unity of the mining workers, leading to the belief that the excess of arguments is because of purposes related to discrepancies pertaining to the unilateral provisions dictated by the government."

It is explained that the COMIBOL has "every right and, at this precise time, a duty to rescind the lease contracts, taking into account the fact that the cooperatives, assuming the authority of absolutist individuality, are stating that they will act as they see fit, outside the laws and oblivious of the fact that the ores extracted are national assets and state resources.

"Currently, there is no explanation for the greed of the cooperative mining sector in demanding not just the 17,484 peso exchange rate, but expecting a higher price while the economic-financial injustice of the government, such as the subjection of COMIBOL to a monstrous difference of 8,571 pesos per dollar in the exchange rate, which in real terms means 42,855 pesos per pound of refined tin (currently sold at 87,420 pesos), resulting in a subsidy of 44,565 pesos, which the COMIBOL is not in a position to be able to absorb nor to lose, continues. Nor is the general treasury of the nation in a position to absorb it."

#### FSTMB Position

The Trade Union Federation of Bolivian Mineworkers (FSTMB) has stated, for its part, that it is under obligation to defend the interests of the state enterprise and nationalization of the mines.

It has explained that the mining cooperatives work on properties owned by the COMIBOL, in some cases paying "laughable" lease royalties, which in no way offset the profits they earn. Since these are areas of legitimate state (COMIBOL) ownership, the cooperatives are forced to deliver the ores they produce to the state body and cannot make the decision on their own to market their production freely, in other words to engage in ore smuggling, because it is illegal and is penalized by law.

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BOLIVIA

LEAD-SILVER PROJECT OPENS FOR BIDS, TWO FIRMS INTERESTED

La Paz HOY in Spanish 12 Feb 85 p 5

[Text] Only two firms responded to the international appeal issued by the Mining Corporation of Bolivia (COMIBOL) for bids to take charge of the polymetallurgical lead-silver project at the Bolivar mining enterprise.

This project is of overwhelming importance because complexes of these ores will be processed for use by the Karachipampa de Potosi foundry.

In fact, it is a question of recovering almost 9,000 tons of lead-silver concentrates annually, along with 75,000 of zinc-silver and 41,000 of subconcentrates of tin. The reserves existing in the Bolivar mine total approximately a little more than 38 million tons with 0.91 percent tin, 15.19 percent zinc, 1.21 percent lead and 5.25 DM of silver per ton. The project located at the Bolivar enterprise (331 kilometers from the city of La Paz) in the province of Poopo de Oruro, calls for the design and construction of a new sector at the mine, a flotation plant to treat 750 tons daily, the construction of infrastructure plants, the Poopo-Bolivar Road, the exploitation of water sources for industrial use, supplying electrical energy, construction of housing, a school and a hospital, and the training of technical personnel.

Bids

During the course of yesterday, bids were opened. One was submitted by the Japanese Dowa Mining enterprise and the other by the Argentine-Finnish Indemio-Outokumpu consortium.

The opening ceremony was attended by representatives of the Ministries of Mining and Metallurgy, Planning and Coordination, Finance, Industry, Commerce and Tourism, the COMIBOL, the Miners' Federation, and observers representing the workers at the Bolivar Enterprise.

The selection board, after studying the contents of the first two envelopes, proceeded to organize a qualification committee, which will review the pertinent documents to establish the choice on the basis of which the award will be made.

It should be noted that this process was undertaken after the earlier international bidding was declared null and void. At that time bids were

submitted by the same firms, Dowa and Outokumpu, the latter now being affiliated with the Argentine Indemi firm.

The international invitations to bid were sent to 12 specialized enterprises, of which only those mentioned responded.

Although it is not known how long the pertinent qualification process will take, it is however indicated that the commission has been asked to proceed with the necessary urgency.

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BOLIVIA

STATISTICS SHOW FISHING RESOURCES UNDEREXPLOITED

La Paz PRESENCIA in Spanish 12 Feb 85 p 6

[Text] "There are more than 24,000 fishermen in different regions in Bolivia," engineer Wagner Terrazas Urquidi, director of the Fishing Development Center, told PRESENCIA.

He noted that there are more than 4,000 fishermen at Lake Titicaca while there are about 300 fishermen on the Pilcomayo River. He added that there are more than 10,000 fishermen in the Amazon Basin where most of the population lives on fishing. He said that the pisciculture program of the Chuquisaca Development Corporation has 350 people devoted to fishing and the Trout Pisciculture Program in Altiplano Norte is formed by 270 cooperatives with 10,000 members.

He revealed that the regions with higher production are Pilcomayo, the Amazon Basin (Ichilo-Mamore) and the Altiplano (Uru-Uru, Poopo and Titicaca lakes). He added that the pisciculture programs have just started. They have low production but are vitally important for the future. He maintained that the waters with natural production have a stock of 53,000 metric tons of fish per year with barely 5,000 tons caught per year. This shows that Bolivia has an eloquent reserve and can expand this activity, according to engineer Terrazas Urquidi.

Referring to the importance of fishing development in the country, engineer Terrazas revealed that 70 percent of the Bolivian population is undernourished, according to the Ministry of Health. He noted that one of the forms of malnutrition is the lack of protein which causes mental retardation. He said that this is connected to the inadequate maturation of the brain cells. The people affected are mentally retarded based on the degree of malnutrition.

He indicated that another factor in malnutrition is the high price of conventional meats due to wage increases which limits consumption. He noted that the reduced price of fish, especially from natural production, can partially solve the problem of malnutrition. He added that there is a big difference in price compared to conventional meat because of the large supply in this production sector.

He maintained that there are regions with excellent fish production sources like Lake Titicaca, Pilcomayo River and the Amazon Basin where natural fish

reserves play an important role in regional development. He indicated that both Lake Titicaca and the Pilcomayo River have enormously influenced regional development in their areas. Finally, he indicated that the need to establish a fish industry to partially replace some products like fish meal, fish oil and packaged fish can play a favorable role in this sector.

Referring to fish consumption, he said that there was little incentive for the consumption of fish in the country. He noted that some measures have been taken and increased the consumption of trout from Lake Titicaca. He explained that there is no defined program but the national fish plan now being drawn up will include a chapter on this.

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BRAZIL

# HUMANIST PARTY ANNOUNCES OPPOSITION TO NEVES GOVERNMENT

Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Jan 85 p 4

[Text] The president of the provisional commission of the Humanist Party (PH), Waldomiro dos Santos Filho, 23, has announced that the new party, which is now being organized, plans to oppose the Democratic Alliance government and to demand the promised political reforms of the future president, Tancredo Neves, through a popular mobilization campaign.

Waldomiro Filho, who is an engineering student at Mackenzie and does advertising work for a newspaper, says that the PH did not support the candidacy either of Tancredo Neves or Paulo Maluf, because "the presidential election was a political game and our party hopes to rise above this type of politicking."

In his view, the convocation of a constituent national assembly "should create a space for all of the ideological and social movements, so that they can be represented at the assembly." As he heads a party just being formed, Waldomiro Filho regards a change in party legislation as essential, since that now in effect creates many difficulties for a party seeking final registration.

According to the president of the PH, demands will be made of the future government simultaneous with a party recruiting campaign which it is hoped can be launched in February.

The Humanist Party, which was officially established on 20 November last, currently has about a thousand members scattered in eight states, according to the secretary general of the organization, Maria Lucia Borgis Pereira, 23, a graduate in the education field. She says that there already is a plan established for the organization of provisional municipal and regional commissions prior to June, when it is hoped to submit the documentation needed to apply for provisional registration.

The PH is based, according to Waldomiro dos Santos, "on the doctrine of the humanist movement, which exists in 43 countries and was organized on the basis of the propositions of the Argentine writer Mario Luis Rodrigues Cobos, also known as Silo, who lives in Mendonza, Argentina." He explained that the PH supports five basic points: 1) the human being must be the central value; 2) active nonviolence is urged as the method of action; 3) cooperativism is advocated as an economic system; 4) nondiscrimination (racial, religious, etc.) is advocated; and 5) choice and nonmonopoly are favored, choice, in terms of the human individual, meaning liberty, and monopoly meaning any form of ideological, economic or other domination.



BRAZIL

POLITICIANS URGE CONSTITUENT ASSEMBLY ADDRESS RIGHTS

Agenda for Assembly

Sao Paulo FOLHA DE SAO PAULO in Portuguese 20 Jan 85 p 4

[Article by Renato Faleiros, with correspondents Galeno de Freitas (Sao Paulo), Amelia Maranhao and Leticia Borges (Brasilia), Maria Helena Malta (Rio de Janeiro) and Luis Ricardo Leitao (Recife): "Constituent Assembly Should Review Citizens' Rights and Duties"]

[Text] The Constituent National Assembly to be convoked by President-Elect Tancredo Neves and thanks to the mobilization of Brazilian society should review all of the provisions pertaining to the rights of citizens, but also the duties of all--state and nation--to the country. This is the view of politicians and leaders interviewed this week by FOLHA, with very few differences as to the importance of the discussion of rights and duties as compared to other basic questions in the drafting of the new constitution.

Senator Marco Maciel of Pernambuco, 44, the probable future president of the Liberal Front Party, noted that the new Constituent Assembly should stress the "material implementation of the precept of juridical equality such that society, without any form of discrimination or preconception, can cease to be divided between the more equal and the less equal." In the view of Maciel, the central question is the "institutionalization of a social democracy," which would come about in two ways. First, through the establishment of modern and active institutions, such as the political parties, and the involvement of the legislative branch in the discussion of the main guidelines of public policy and supervision of the executive branch, as well as flexible action by the judiciary.

The second level defined by Maciel involves the "increase in the number of participants in the basic democratic processes desirous of fully exercising citizenship, through the holding of direct elections on all levels and other forms of political participation by society, the drafting and execution of government programs included."

In the view of the present leader of the PMDB [Brazilian Democratic Movement Party] in the Senate, Humberto Lucena of Paraiba, 57, the duty of citizens to obey the precepts of national security serves as an example, but this matter "must be approached in terms such as never at any time to expose the basic

rights of man to any risk, nor in any case to reflect the concept of authoritarianism." In his opinion, what represents national security best is the "zeal and safeguarding of the social aspect of man, in terms of opportunities for employment, education, housing and health.

"To the extent that man is the main purpose of a government, an atmosphere of peace ill-suited to internal disturbances, and therefore a guarantor of national security, will be developed," Lucena stresses.

Without going into the merits of the rights and duties issue, the leader of the PDS [Social Democratic Party] in the Senate, Aloisio Chaves, of Para, 64, believes that the prerogatives of the Congress must be reestablished prior to the Constituent Assembly. Therefore he places the issue in the realm of the executive and legislative branches, explaining that reestablishing the prerogatives of the legislative branch will entail the reestablishment of the legislative initiative on tax and financial matters, thus reducing the scope of executive branch action in this connection.

"It is hard to imagine the executive branch deprived of any control authority over financial matters and deprived of the resources for implementing administrative programs, but it is also true that the legislative branch cannot be stripped of its prerogatives," Chaves says, and he foresees that this definition will later exert an influence on the citizens' rights-duties relationship.

#### State and Society

Two social scientists, Paulo Edmur de Souza Queiros, 75, and Otavio Ianni, 60, agree on one point: the Constituent Assembly will dominate the national discussion agenda this year. However, their agreement ceases with this expectation. The two have totally opposite views of the same reality.

A former adviser to the Sao Paulo Commercial Association and a former professor of sociology in the Faculty of Economics and Administration at the USP [Sao Paulo University], Souza Queiros terms it "madness for a subject such as the Constituent Assembly to dominate the discussion, because there are more important things which merit attention." Although he is an unconditional advocate of private enterprise, he defends a strong state, having no great concern about the obligations and rights of the citizens. Showing his disdain for the legislative branch--"the members of this branch are taken from the people, and as is known, our people are poor"--Souza Queiros believes that a constitutional text which is concise and endorses the principle of a strong executive branch would suffice. In his view, then, the Tancredo Neves government will not be in a position to control inflation, "which is a much more important problem than the rights and duties of the citizens."

Taking another approach, Prof Otavio Ianni, who is currently giving post-graduate courses at the PUC [Pontifical Catholic University] in Sao Paulo, is much more concerned with the definition of citizenship in the constitutional texts, which is in his view the key to rights and duties. He recalls that the 1823 Constitution provided that all those living in Brazil at the time

independence was declared were regarded as Brazilians, "but the constitutional text began to promulgate a long series of exclusions, banishing women and those not owning real estate from the realm of politics."

Ianni stresses that the concept of citizenship is very poorly assimilated in Brazil. "Even today, illiterates are excluded from voting rights," and even in the daily life of the citizenry, the signs of distortion of this concept are clearly seen. He relates that he was recently traveling in a taxi when another vehicle overtook it, and a pedestrian crossing the street outside the white lines was forced to engage in remarkable acrobatics to escape with his life. In Ianni's view, the driver of the vehicle which almost killed the pedestrian is an excellent illustration of citizenship ill-assimilated, because "he not only set himself up as an agent of the state, by almost killing an errant pedestrian, but also showed the arrogance of those who believe they are more legitimately citizens than others."

#### People Contribute Suggestions

The need to discuss the concept of citizenship in Brazil again, as well as such components of it as rights, duties and obligations, is beginning to activate social sectors desirous of making suggestions for the drafting of the new constitutional text.

The vice governor and secretary of culture for Rio de Janeiro, Darcy Ribeiro, 62, sets forth certain points that he regards as indispensable for the future Constituent Assembly of the country to consider. They include an "anticoup" article, something to "make any effort to disturb republican life or to do harm to the sovereignty of the civil authority a crime punishable with dismissal or other penalties." According to Darcy it is further necessary to prevent "anyone from legally keeping land unproductive simply as a function of his ownership of it." He further feels it is necessary to create provisions "to defend national assets and block foreign exploitation," and to ensure "that every Brazilian citizen 14 years of age or older has not only a guaranteed job but the opportunity to advance in this work," among other things.

Anthropologist Roberto Da Matta, 48, for his part, notes the existence of "a clear change in style in Brazilian politics," and only hopes that the constitution will also define "a new style which is egalitarian--a word which the Brazilian vocabulary lacks." And he said that "we must, for example, put an end to the special prisons. Those of us who are university graduates must serve prison terms like everyone else."

Another anthropologist, Gilberto Velho, 39, says that in addition to the rights of the citizens in any liberal democracy, "rights which have been throttled in Brazil in recent years," his hope is for a new constitution which will guarantee "the rights of minorities." He includes in this group "the natives, the blacks, the widest variety of ethnic groups, women and religious groups against which there is still discrimination, as is the case with the umbandists."

"Apart from guaranteeing the basic rights of the citizens such as food and housing," he adds, "we need to support a new style of life, and mainly, with the removal of the old straitjacket, to avoid sinking into another different one, by excluding any type of authoritarian or dogmatic model."

In the opinion of the president of the Sao Paulo Commercial Association, Guilherme Afif Domingos, 41, who is the author of "An Itinerary for the Brazilian Nation," which he recently presented to President-Elect Tancredo Neves, the issue of citizens' rights and duties, when raised, comes up against the following fact:

"The Constitution is subject to absolute disrespect, in view of the lack of tools for society to control the state. Who oversees the implementation of the constitutional norms in the sector pertaining to the economic order?" he asks.

For the businessman, "the question must be regarded less in terms of the problem of change and more in terms of the need to implement the precepts. Also, the representative capacity of the people to exert an effect on the observance of the constitutional order, particularly where public expenditures are concerned, must be increased."

And he gives an example. "Up until last week I had great confidence that the National Congress would put an end to the public expenditures orgy. After the report carried by FOLHA on the "grave train," I need to review the matter.

"Protecting honesty with public funds" is also a duty stressed by the archbishop of Olinda and Recife, Dom Helder Camara, 76, in whose view certain principles "need to be brought out of oblivion." A "most important example," according to Dom Helder, involves the fact that "all are equal before the law. Let conditions be created so that this most basic truth becomes more than a statement on paper."

The archbishop of Olinda and Recife also believes that there will be a place and importance for national security, but he warns: "Let there never be a threat that it will again become the supreme value. This idolatry has cost us dear." Another point mentioned by Dom Helder pertains to "certain criteria for guaranteeing the redistribution of income among the central, state and municipal authorities." Finally, the archbishop believes that the adoption of "certain measures to guarantee that foreign capital does not reduce us to an absurd position" is indispensable.

#### CNBB Voices Views

Brasilia CORREIO BRAZILIENSE in Portuguese 10 Feb 85 p 9

[Article by Adauto Cruz and Rosane Garcia]

[Text] The National Conference of Brazilian Bishops (CNBB) sent a document to President Tancredo Neves yesterday asking for extensive consultation of and participation by the people in the drafting of the new constitution,

making it possible for "the new republic to be the expression not only of the will of the parties, but also of the civic thinking, going to the man in the street, whose political contribution needs to be collected, assessed and included. The total success of the expected open approach depends on attention to this demand when the Constituent Assembly is convoked."

This document was delivered by the vice president of the CNBB, Dom Benedito Ulhoa Vieira, and its drafting was the responsibility of a commission of expert laymen. It will be sent to all the Brazilian bishops, with a recommendation by the officers of that body that a consultation with the groups existing in each diocese be encouraged and promoted, including not only the base communities, but also the parishes, secondary schools and youth groups, among others, as a resource to be used in sponsoring participation by all.

"The text does not include concrete suggestions," Dom Benedito explained, "but rather an appeal approved by the officers of the CNBB urging orderly popular participation so that the new constitution we await will not be an office product, but an expression of the will of the people, whose desires are rather clear today."

According to this document, the church should not interfere in the technical or specifically political aspects of the undertaking, which is the realm of action of men in public life. But, Dom Benedito said, it can "nudge the people to participate in the 'constituent era in Brazil.'" The bishop went on to say that the offering of "packets," among the desires of the people, is not a part of his thinking or that of the president of the republic either. "I think that the legal position of the president-elect is limited as well. We were accustomed to seeing the president as a man who legislated, ordered and judged, because of AI-5 [Institutional Act No 5]. We developed a distorted view of the president as a monarch, the immovable sovereign, and today, with this radiant dawn of democracy, we need to begin to reeducate ourselves and to see the president of the republic as what the law allows him to be. Therefore, the new president will not have total authority to do what he wants or desires. I believe that the popular demand for participation cannot fail to be heard, because the politicians feel it in their very bones that the strength of the people is peaceful, but constant and resolute. And it seems that those who would not hear the people are repentant now."

#### Justice, Not Revenge

Although agreeing that the people need to be reeducated, Dom Benedito emphasized that our society rejects not only the "packets" put together in offices, but also any impunity with regard to all these scandals which are emerging. The establishment of responsibility, therefore, is not a vengeful attitude but rather one of justice. Thus he says that in dealing with problems of justice, there is no revanchism in demanding correction, referring not only to the financial scandals but also to the disappearance of political prisoners during the era of repression.

"Given the complex problems of life," he noted, "the major embezzlements and high crimes which have occurred, there is in my view no attitude of vengeance

in investigating them. On the contrary, there is a need to put things back in their proper places."

In the view of the secretary general of the CNBB, Dom Luciano Mendes de Almeida, who also participated in the publication of the document, Dom Benedito's position is quite correct. "I believe that the families and the nation itself have a right not only to know the facts," he added, "but to see people given back the dignity they merit."

#### Church Hopes To Be Heard

The document released yesterday by the officers of the CNBB, which suggests popular participation in the drafting of the new constitution, does not in itself offer anything new in connection with the position defended by the church in Brazil. Noting the categorical defense of direct elections, this recommendation, worded much more like a demand, reflects in fact the old position of the church since it began to disagree with the system previously in effect in the country, in which the people were excluded from all decision-making.

The drafting of the text sent to President Tancredo Neves was the responsibility of a commission of expert laymen. The officers of the CNBB, however, did not choose to announce the names of its members, stating that keeping the identity of the commission secret would prevent its members from defending partial positions.

In this instance, the church, which intends to follow the national discussion about the new constitution step by step, does not want its contribution to be marred by a defense of personal interest, to the detriment of the "collective good."

Although the national discussion currently focuses on the probable ministerial appointees, this document represents a warning concerning a much more serious matter--the constitution, urging popular participation in every respect. The questions about the timeliness of the document, however, were not fully clarified. According to the officers of the CNBB, there was no special time schedule. The body simply wants to indicate what it is doing in connection with this matter, while at the same time satisfying the entire episcopate, which decided during a meeting of the Permanent Council held at the end of November on church participation and continuing interest in the drafting of the new constitution. However, the fact that the return of Tancredo Neves from his foreign trip might be a plausible reason for the announcement of the desires of the church, in partial consideration of his religious inclinations, cannot be overlooked.

Confident of the reestablishment of democracy in Brazil, the church truly hopes that its voice will be heard as it was when the 1934 Constitution was drafted, when the episcopate of Rio de Janeiro, through Cardinal Leme, participated discreetly but effectively in the wording of the final text, including in it the thinking of the laymen and religious figures of that era. The bishops are in fact concerned about the new constitution, and they agree

that the convoking of a constituent national assembly should come about long enough in advance to provide time for study and consultation, in order to avoid the promulgation of an imperfect document like those approved in 1967 and the 1969 amendment.

### Popular Rally Held

Sao Paulo FOLHA DE SAO PAULO in Portuguese 28 Jan 85 p 4

[Article by Severino Albuquerque: "Rally for Constituent Assembly Attracts 3,000 in Duque de Caxias"]

[Text] The public gathering for the launching of the national movement for the convocation of a constituent assembly was held Saturday in the municipality of Duque de Caxias, Rio de Janeiro, in the Rio de Janeiro basin, 18 kilometers from Rio, in what was a national security area 16 years ago. About 3,000 persons attended and for more than 3 hours shouted slogans, displayed placards bearing political demands, and listened with enthusiasm to the speech delivered by the president of the PT [Workers Party], Luis Inacio Lula da Silva. To the sound of the song "Vai Passar" [It Will Happen], sung by Chico Buarque de Holanda, the crowd began to samba.

Speakers representing the PT, the PDT [Democratic Workers' Party], the PMDB [Brazilian Democratic Movement Party] and employers and trade union bodies joined in appealing for "a constitution which will be discussed by all segments of society and will really reflect the interests of the people," as the bishop of Caxias, Dom Mauro Morelli, 49, one of the organizers of the demonstration, summarized their desires. The meeting began at 1700 hours, with all those present singing the national anthem. It was inaugurated by representatives of the "excluded society," as Dom Mauro Morelli called it--a child, a woman, an unemployed person, a black and an elderly person.

"A country which does not respect children is not serious-minded," Renato dos Santos, a boy of 13, the son of a glazier and resident of Duque de Caxias, shouted to the applause of those present. He began his address by stating that in Brazil, "there are 30 million neglected people," and that here "money is more highly prized than the human being." The first address on the agenda was delivered by the president of the Federation of Residents' Associations in the State of Rio de Janeiro (FAMERJ), Jo Resende, who warned those present of the danger that the new constitution will be drafted by the elite, if there is not broad discussion by the people.

PMDB deputies Miguel Arraes of Pernambuco and Ulysses Guimaraes of Sao Paulo, president of the federation, who had been scheduled to attend, were not at the demonstration, nor was Governor Leonel Brizola. Vivaldo Barbosa, the state secretary of justice, explained that Brizola could not be present because of his role in the plan to aid those rendered homeless by the rainfall in the state.

The meeting was attended by 14 prefects from eight states, representatives of the OAB [Organization of Brazilian Attorneys], ABI [Brazilian Press Association], CUT [Sole Central Organization of Workers], CONCLAT [National

Conference of the Working Classes], ANDES, UNE [National Union of Students], Socialist Convergence, the Brazilian Communist Party, and deputies representing all the legal parties with the exception of the PDS [Social Democratic Party].

Composers Chico Buarque, Sergio Ricardo, Noca da Portela and Monarco participated in the musical portion of the program. Architect Oscar Niemeyer and the poet Ferreira Gullar were also present.

The prefect of Duque de Caxias by federal government appointment, Hidekel de Freitas (PDS), provided the official grandstand in Pacificador Square and the sound system, but did not attend the gathering.

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BRAZIL

VOTERS SEEK LOWER INFLATION, REPRESENTATIVE ASSEMBLY

Priority for Economics

Sao Paulo FOLHA DE SAO PAULO in Portuguese 20 Jan 85 p 12

[Text] Reducing inflation and the cost of living. This is the first step Tancredo Neves should take as president of the republic, according to the study undertaken by FOLHA (DataFolha) in the five main Brazilian capitals--Sao Paulo, Rio de Janeiro, Belo Horizonte, Porto Alegre and Curitiba--the day after his election in the Electoral College. Of the 2,700 individuals interviewed, 28.0 percent mentioned the need to reduce inflation and the cost of living.

The second most frequently heard response, from 23.1 percent of the population in these capital cities, pertains to concern with the battle against unemployment. Thus the study shows that resolving the economic problems is the priority expectation of those interviewed, because all of these answers together urging the adoption of such measures were mentioned by 51.1 percent. In third place, despite the wide gap, was a certain concern with wage improvement (5.4 percent). This shows that the people are more concerned with spending less than with earning more.

Politics Is Secondary

Political issues such as the advocacy of direct elections and the convocation of a constituent national assembly were not of great concern to those interviewed. Improvement in public safety, generally spoken of as the main concern of the people, ranked fourth (4.6 percent), along with the foreign debt. Direct presidential elections came sixth (3.8 percent) and the same percentage of those interviewed regarded improvement in the level of education and investment in this sector as urgent.

It is curious to note that in Sao Paulo, inflation and the cost of living concerned women (26.8 percent) more than men (21.0 percent), and this difference carried over, although to a lesser extent, to the battle against unemployment (24.4 percent of the women's responses as compared to 24.2 percent of those of the men). The attitude of those interviewed in the capital of Sao Paulo concerning these matters is also directly linked with the family income level. Concern with reducing inflation and the cost of living has a higher incidence among those earning more than 10 times the minimum wage (26.2 percent), and the fear of unemployment is most intense among those with a family income of up to 4 times the minimum wage (28.4 percent).

In your opinion, what is the first step Tancredo Neves should take as president of the republic?

Capital Category	São Paulo %	Rio de Janeiro %	Belo Horizonte %	Porto Alegre %	Curitiba %	Weighted Average %
Reducing inflation and the cost of living	23,9	34,0	31,8	15,7	40,0	28,0
Combatting unemployment	24,3	25,8	25,0	10,0	12,2	23,1
Improving wages	5,8	4,3	0,3	14,4	6,0	5,4
Resolving the foreign debt issue	4,2	4,7	5,9	3,0	6,7	4,6
Improving public safety	6,7	3,7			3,5	4,6
Sponsoring direct elections	3,6	4,7		7,0	3,0	3,8
Improvement and investment in education	2,3	6,2	2,0	4,7	7,0	3,8
Convocation of a constituent national assembly	3,6	2,3	5,7	4,0	0,7	3,3
Ending corruption	2,7		6,2	2,3	3,7	2,3
Helping the neediest people	2,4		8,3	3,3		2,2
Providing housing and settling BNH [National Housing Bank] problem	2,1	1,8	0,3	4,3	2,5	2,0
Improving public transportation	1,5	1,5	1,5	4,5	0,3	1,6
Promoting economic development	1,4		0,3	3,7	0,7	1,0
Other answers	8,4	6,2	10,2	13,1	13,4	8,5
Don't know	7,1	4,8	2,5	10,0	0,3	5,8
Number of persons interviewed	(1.000)	(600)	(400)	(300)	(400)	2.700

Economic problems concern the population of the five cities more than political and institutional issues.

Again in regard to these issues, it can be noted that the percentage concerned with inflation and the cost of living is highest in Curitiba (40 percent) and lowest in Porto Alegre (15.7 percent), and it is also in this capital city that there are the largest number of complaints about wage improvements (14.4 percent). The battle against unemployment, the second priority in the minds of the people, ranked highest in Sao Paulo, Rio de Janeiro and Belo Horizonte. It is precisely in Porto Alegre and Curitiba, the capitals with the most concern about inflation and the cost of living, that the interest in this problem was lowest (10.0 percent and 12.2 percent, respectively).

The other answers obtained in these five capital cities revealed very low indices, below 3.0 percent. Two of them, however, stood out in the capital of the future president's state, Belo Horizonte--"ending corruption"

(6.2 percent) and "helping the neediest people" (8.3 percent), voiced by 2.3 percent and 2.2 percent of the people, respectively, in the weighted averages.

In your opinion, what is the first step Tancredo Neves should take as president of the republic?

(1)	(2)														
	(3)			(4)			Subtotal		TOTAL %	(10)			(11)		
	(5)	(6)	(7)	(5)	(6)	(7)	(8)	(9)		(12)	(13)	(14)	(5)	(6)	(7)
(15)	17,0	21,5	22,5	16,0	24,5	34,5	21,0	26,8	23,9	21,3	25,7	26,2	16,5	23,0	28,5
(16)	23,0	27,5	21,5	31,0	25,0	20,5	24,2	24,4	24,3	28,4	22,0	19,7	27,0	26,3	21,0
(17)	11,0	4,5	5,0	6,0	7,0	4,0	6,0	5,6	5,8	6,4	5,7	4,7	8,5	5,7	4,5
(18)	5,0	3,0	6,0	8,0	2,0	3,0	4,8	3,6	4,2	2,3	5,5	6,0	6,5	2,5	4,5
(19)	5,0	7,0	7,5	8,0	6,5	6,0	6,8	6,6	6,7	7,6	6,0	6,0	6,5	6,7	6,7
(20)	6,0	3,5	2,5	6,0	4,0	2,0	3,6	3,6	3,6	3,2	5,5	1,7	6,0	3,8	2,2
(21)	3,0	1,5	1,5	2,0	3,5	2,5	1,8	2,8	2,3	1,8	1,5	4,3	2,5	2,5	2,0
(22)	2,0	5,0	4,0	2,0	3,5	3,5	4,0	3,2	3,6	1,6	5,5	4,7	2,0	4,3	3,8
(23)	2,0	3,5	4,5	2,0	1,0	2,5	3,6	1,8	2,7	1,4	3,9	3,5	2,0	2,2	3,5
(24)	2,0	1,5	3,5	3,0	2,0	2,5	2,4	2,4	2,4	2,3	2,1	3,0	2,5	1,7	3,0
(25)	1,0	1,5	4,0	1,0	3,0	1,0	2,4	1,8	2,1	1,2	2,4	3,5	1,0	2,2	2,5
(26)	3,0	2,0		2,0	1,0	1,5	1,6	1,4	1,5	1,2	2,4	0,9	2,5	1,5	0,8
(27)		0,5	3,5	1,0	1,5	1,0	1,6	1,2	1,4	0,7	1,2	3,0	0,5	1,0	2,2
(28)	11,0	12,0	8,5	3,0	6,5	9,0	10,0	6,8	8,4	8,7	7,3	9,4	7,0	9,3	8,8
(29)	9,0	5,5	5,5	9,0	9,0	6,5	6,2	8,0	7,1	11,9	3,3	3,5	9,0	7,3	6,0
(30)	100	200	200	100	200	200	500	500	1000	436	331	233	200	400	400

In the capital, the greatest concern is unemployment, above all among women and in the lowest income strata.

Key:

- |                   |  |
|-------------------|--|
| 1. Category       | 8. Men, %                                      |
| 2. Sex and age    | 9. Women, %                                    |
| 3. Men            | 10. Family income in multiples of minimum wage |
| 4. Women          | 11. Age group %                                |
| 5. 17-19, %       | 12. Up to two, %                               |
| 6. 20-35, %       | 13. Two to five, %                             |
| 7. 36 or older, % |  |

14. More than 5,
15. Reducing inflation and the cost of living
16. Combatting unemployment
17. Improving wages
18. Resolving the foreign debt issue
19. Improving public safety
20. Sponsoring direct elections
21. Improvement and investment in education
22. Convocation of a constituent national assembly
23. Ending corruption
24. Helping the neediest people
25. Providing housing and settling the BNH problems
26. Improving public transportation
27. Promoting economic development
28. Other answers
29. Don't know
30. Number of persons interviewed

The concern with inflation was reiterated in the comments most frequently heard by the interviewers while the study was being taken. "Above all, inflation must be reduced," those interviewed state emphatically, and they also revealed a certain skepticism in the statement: "Now I want to see him do all he promised." Paradoxically, the following was among the most frequent comments: "Dr Tancredo is an experienced man, and in these first days, he will have to turn his attention to social problems."

From every indication, however, the greatest certainty is that "things cannot remain as they are."

#### Constituent Assembly Issue

Sao Paulo FOLHA DE SAO PAULO in Portuguese 13 Jan 85 p 5

[Text] A public opinion study conducted by DataFolha in the six main Brazilian capital cities shows that the voters, who had been told in advance that they would be questioned about a constituent assembly, prefer compulsory voting (61.5 percent) as provided for in the existing legislation, and that they want illiterates to vote in choosing the members of the assembly (57.8 percent).

In your view, in the election for the national constituent assembly (which will draft the new constitution):

A) Should the vote continue to be compulsory or not?

Category \ Capital	São Paulo %	Rio de Janeiro %	Belo Horizonte %	Salvador %	Porto Alegre %	Curitiba %	Weighted Average %
Yes	56,0	74,5	54,8	54,0	68,0	57,0	61,5
No	36,8	22,8	39,5	31,0	22,0	34,8	32,0
Don't know	7,2	2,7	5,7	15,0	10,0	8,2	6,5
Number interviewed	1.000	600	400	300	300	400	3.000

Of those questioned, 61.5 percent said they want compulsory voting continued.

In your view, in the election for the national constituent assembly  
(which will draft the new constitution):

B) Should illiterates be able to vote or not?

Category \ Capital	São Paulo %	Rio de Janeiro %	Belo Horizonte %	Salvador %	Porto Alegre %	Curitiba %	Weighted Average %
Yes	63,2	67,7	47,8	29,3	40,0	37,0	57,8
No	29,8	31,7	46,5	66,4	49,3	56,8	37,0
Don't know	7,0	0,6	5,7	4,3	10,7	6,2	5,2
Number interviewed	1.000	600	400	300	300	400	3.000

The majority (57.8 percent) wants voting established for illiterates, while 37 percent are against it.

On the subject of compulsory voting, Rio de Janeiro was the state which proved most definitely in favor of it (74.5 percent), while in the other capital cities surveyed the indices ranged from 54 percent (Salvador) to 68 percent (Porto Alegre).

#### Voting for Illiterates

On voting for illiterates, which was legal under the Empire but has been prohibited since the Republic was installed, led to greater differences and more varied perceptions. The weighted average, which gives a good indication of the national will, since the study was made on the basis of a sampling in six capital cities, with citizens stratified by sex, age and geographic zone, shows a rather favorable inclination to allow illiterates to vote (57.8 percent), but there is a variation worthy of note from one city to another.

In two cities, the majority of those interviewed were opposed to voting for illiterates. In Salvador, 66.4 percent oppose it, as compared to 56.8 percent in Curitiba. But the positive percentages seen in Rio de Janeiro (67.7 percent) and Sao Paulo (63.2 percent) were such as to make the preference for allowing citizens who do not know how to read to vote prevail.

#### Field Study

The results of the study in Sao Paulo, based on an analysis of the reactions of those interviewed, indicate that young people (20 to 35) are more in favor of voting for illiterates (69.9 percent) than the older people (over 35--53.1 percent). This same tendency was found among those interviewed in the lowest income category (from 0 to 4 and from 4 to 10 times the minimum wage).

With regard to compulsory voting, the young people in Sao Paulo in the 17-19-year-old group proved more favorable to it than those over 35. The same is the case with individuals with monthly incomes below 4 times the minimum wage.

In your view, in the election for the national constituent assembly  
(which will draft the new constitution):

A) Should the vote continue to be compulsory or not?

(2)										(10)				(11)			
(1)	(3)			(4)			Subtotal		TOTAL	(1)	(12)	(13)	(14)	(1)	(5)	(6)	(7)
	(5)	(6)	(7)	(5)	(6)	(7)	(8)	(9)									
(15)	61.7	57.7	57.3	54.0	50.5	56.6	58.4	53.6	56.0	(15)	58.1	52.9	57.0	(15)	60.0	54.1	57.0
(16)	35.5	38.3	35.9	37.0	40.7	32.7	36.8	36.8	36.8	(16)	33.4	39.7	38.6	(16)	36.2	39.5	34.3
(17)	2.8	4.0	6.8	9.0	8.8	10.7	4.8	9.6	7.2	(17)	8.5	7.4	4.4	(17)	5.8	6.4	8.7
(18)	(107)	(201)	(192)	(100)	(204)	(196)	(500)	(500)	1.000	(18)	(422)	(350)	(228)	(18)	(207)	(405)	(388)

The young people proved more in favor of compulsory voting.

B) Should illiterates be able to vote or not?

(2)										(10)				(11)			
(1)	(3)			(4)			Subtotal		TOTAL	(1)	(12)	(13)	(14)	(1)	(5)	(6)	(7)
	(5)	(6)	(7)	(5)	(6)	(7)	(8)	(9)									
(15)	75.7	67.7	56.8	62.0	72.1	49.5	65.2	61.2	63.2	(15)	62.6	66.9	58.8	(15)	69.1	69.9	53.1
(16)	17.8	28.3	37.5	27.0	21.1	40.8	29.6	30.0	29.8	(16)	29.4	27.1	34.6	(16)	22.2	24.7	39.2
(17)	6.5	4.0	5.7	11.0	6.8	9.7	5.2	8.8	7.0	(17)	8.0	6.0	6.6	(17)	8.7	5.4	7.7
(18)	(107)	(201)	(192)	(100)	(204)	(196)	(500)	(500)	1.000	(18)	(422)	(350)	(228)	(18)	(207)	(405)	(388)

Among the family income level categories, the highest index in favor of the vote for illiterates is in the 4-10 times the minimum wage group.

Key:

- |  |                        |
|--|------------------------|
| 1. Category  | 11. Age group          |
| 2. Sex and age                                     | 12. Up to two, %       |
| 3. Men   | 13. Two to five, %     |
| 4. Women   | 14. More than five, %  |
| 5. 17-19, %  | 15. Yes                |
| 6. 20-35, %  | 16. No                 |
| 7. 36 and older, %                                 | 17. Don't know         |
| 8. Men, %  | 18. Number interviewed |
| 9. Women, %  |                        |
| 10. Family income in multiples of the minimum wage |                        |

## Participation by the People

In the reactions to the questions asked by DataFolha, many comments, such as "Obviously they (the illiterates) should vote because they constitute the majority of the population," showed recognition that the system will only be clearly representative if a substantial portion of the citizenry participates. Other reactions of this sort noted by the researchers included "If illiterates work, they should vote" and "Some illiterates vote more wisely than university graduates."

## Immediate Convocation Wanted

Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Jan 85 p 4

[Text] Rio de Janeiro--A national constituent assembly should be convoked in Brazil immediately. This is the view of 47.9 percent of the 2,100 individuals surveyed in 11 capital cities in the country, in a study made by the IBOPE [Brazilian Public Opinion and Statistics Institute]-TV GLOBO, the results of which were made public Thursday night on the Globe Reporter Program and were published in yesterday's issue of the newspaper O GLOBO. According to the study, if the president of the republic were directly elected, the candidate chosen by the Electoral College, Tancredo Neves, would again be the choice. The man preferred to succeed him is the current vice president, Aureliano Chaves.

The IBOPE reported that the study was ordered by TV GLOBO a week before the results were published. Of the 2,100 individuals interviewed, 47.9 percent want a constituent assembly convoked immediately, 19 percent said 1986, 8.5 percent said after that date, and 18.9 percent simply do not know what a constituent assembly would mean. Tancredo Neves should have a 4-year term, in the view of 43.3 percent of those interrogated, and 38 percent believe that Aureliano Chaves is the best man to succeed him.

The vast majority (77.12 percent) would vote for Tancredo Neves in a direct election, 11 percent would vote for Paulo Maluf, and 11 percent would vote for neither. Of all those interviewed, 66.6 percent are confident that Tancredo Neves will succeed in resolving the country's problems, while 25 percent believe he cannot. Only 12.6 percent believe that the president-elect will head an optimal government. The majority (41.3 percent) answered that Tancredo Neves will only head an ordinary government, while 36.5 percent believe that it will be good.

The study showed that only the PMDB [Brazilian Democratic Movement Party] has seen an increase in popularity since 1982. Of those questioned, 42 percent voted for that party and 45 percent would vote for it now. The PDS [Social Democratic Party] had the votes of 18 percent, as compared to 9.8 percent who would vote for it today. The PDT [Democratic Worker's Party] dropped from 11 to 6.5 percent, while the PTB [Brazilian Labor Party] almost faded away, since 5.5 percent voted for it in 1982 but only 1.9 percent would now. The PT [Workers Party] remained almost stable, with an increase from 5.4 percent to 5.6 percent. The Liberal Front Party would win 7.9 percent of the votes.

The main problems of the country, in the view of those interrogated by the IBOPE, are the economic ones: 56.9 percent said unemployment, 53 percent inflation, 48.2 percent wages and 18.6 percent the foreign debt. Only 21.7 percent included the problem of neglected children among the priority problems the future government must deal with, while 15.2 percent said corruption, 13.2 percent education, 12.5 percent safety and 10.9 percent housing.

A great majority of those interviewed disagree with President-Elect Tancredo Neves on the wage issue: 58 percent believe that wages need correction above the inflation level, 34.5 percent said at that level, and only 4.1 percent believe that correction should be below that level. Tancredo Neves does not want increases above the level of inflation. A majority, 32.8 percent, however, is in favor of renegotiation of the foreign debt, 32.4 percent want a break with the IMF and the creditor banks, and 23.8 percent want to meet all international commitments.

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BRAZIL

IMPACT OF DESERTIONS WITHIN PTB, FUTURE PROSPECTS VIEWED

Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 Jan 85 p 12

[Article by Tatiana Petit]

[Text] The Brazilian Labor Party or PTB--the only pre-1966 acronym to reappear as a result of the party reform of 1980, when ARENA [National Renewal Alliance] and the MDB [Brazilian Democratic Movement] were suppressed--seems to be rehearsing a few more dance steps from "The Dying Swan" with the desertion by its latest chairman, Deputy Ricardo Ribeiro (Sao Paulo), who this week joined the Liberal Front Party along with PTB members Roberto Jefferson and Francisco Studart.

Following the successive crises that marked its resurgence--an example being the dispute between current Governor Leonel Brizola and the now-deceased Ivete Vargas, in which they took their quarrel over who should control the party lists to the courts--the PTB has lived in a state of constant turmoil, and it now seems to be like a ship adrift. It is not likely, however, that old political foxes will peacefully watch it die.

After all, despite the precariousness of its structure on the national level and its aloofness from the powerful labor movement created by Getulio Vargas in 1945, there are still historically minded members prepared to roll up their sleeves to work for its survival and experienced politicians assessing the possibilities for attacking its meager spoils.

Accused by the opposition parties of having been thought up, in its new version, by General Golbery do Couto e Silva to play the role of a government auxiliary organization, and at the mercy of the instability of former President Janio Quadros, who joined the party and then left it, the PTB has wavered between flirtations with its first cousin the PDT [Democratic Workers Party]--with which it has not managed to become reconciled to this day--had a serious affair with the extinct Popular Party (PP) back when Tancredo Neves was its chairman, and finally wound up contracting a marriage practically devoid of community property with the PDS [Social Democratic Party].

Before throwing itself into what was the most expensive of its "romantic adventures," the PTB had been courted by the PMDB [Brazilian Democratic Movement Party], which, together with all the other opposition parties, had tried to

attract the labor movement headed by Ivete Vargas with jobs in the state administrations of Sao Paulo, Amazonas, and even Rio de Janeiro, which had a PDT administration--the objective being to make it remain among those who had taken the congressional majority in the Chamber of Deputies away from the government.

Their efforts were in vain. In April 1983, when the negotiations with the PDS were underway, the PTB's chairwoman asserted that the agreement still to be signed signified more than any other political negotiation by the opposition in the previous 19 years. She also believed that the agreement would make possible the growth of her PTB: "When a party occupies a political space and acts sensibly and successfully in political negotiations," she said, "it increases the number of its members and followers." Reality was to prove the opposite.

The PTB's insignificant penetration of union circles was further reduced after the party insisted on supporting the government in its approval of Decree-Law No 2,065 in November of that same year. That step made it impossible for the chairman of the State of Sao Paulo Union of Metallurgical Workers, Joaquim dos Santos Andrade, to remain in its ranks. He asked to have his membership card canceled.

In addition, two deputies--Farabulini Junior and Jorge Cury, both of Sao Paulo--disobeyed the party directive and did not support the executive branch's plan for reducing workers' wages. Once again, the disagreements among the members of the diminished bloc of 12 federal deputies and 1 senator that the PTB still had at the time were underscored.

Worse than that, the group was irretrievably discredited in the eyes of public opinion and its own rank and file--a result of the physiological disorder reflected first in its occupation of positions in public agencies and state enterprises and, later, in the order to give them up, followed by a counterorder. For over a year, the PTB waited to be rewarded with a ministry in exchange for the five votes plus eight to spare that had restored the majority in the Chamber of Deputies to the government. The party resembled the two characters in Samuel Beckett's play who keep "Waiting for Godot."

Nine deputies in the Federal Chamber and one senator now remain in the PTB. It is unlikely that the party will be able to meet the requirement to hold regional conventions this March, since by all indications, it will not have the necessary quorum.

Barring new developments arising from future party legislation, Deputy Farabulini Junior says that his options are the PMDB and the PDT--and incidentally, he has been a frequent interlocutor of Leonel Brizola. Deputy Fernando Carvalho (Rio de Janeiro) is to move over to the PDS. Deputies Celso Amaral and Mendonca Falcar could not be reached on Friday, but leaders of the Sao Paulo PTB say that they will do the same.

Still vigorous, although less intense, are the rumors that the minister-chief of the Planning Secretariat of the Presidency is interested in the PTB as long

as former President Janio Quadros remains in Europe--from where he is scheduled to return at the start of February. Here it is appropriate to note the comment by Deputy Farabulini Junior--"Delfim [Netto] and Janio are the same person"--so as to recall it on 2 February, when the PTB National Directorate meets in Rio de Janeiro to debate the choice of a chairman to replace Ricardo Ribeiro.

11798

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BRAZIL

COMMUNIST PARTIES SUPPORT NEVES, REJECT ARMED STRUGGLE

Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 Jan 85 p 8

[Article by Galeno de Freitas]

[Text] With few exceptions, the main leftist groups in the Brazilian political spectrum, which tore each other to pieces in the 1960's and 1970's over the issue of how to resist the military regime, now acknowledge that armed struggle "is not on the agenda." What is more, they concur in supporting the "New Republic" announced by President-elect Tancredo Neves.

At a press conference, Tancredo Neves said with great wit that he had support "ranging from the Indians to the cardinal." And he has accomplished a similar feat in terms of the Left, excluding the Workers Party [PT] (which has absorbed the extreme leftists from Socialist Convergence). The Brazilian Communist Party [PCB]--the "big party" to those close to it--takes a stand concerning the president-elect which is identical to that of its brother enemy, the Communist Party of Brazil (PCdoB), whose attitude is one of hope tempered with criticism. In other words, they are hoping that the New Republic will enlarge the democratic space and permit social demands to emerge. And the 8 October Revolutionary Movement, or MR-8 (which takes its name from the date on which guerrilla fighter "Che" Guevara died in Bolivia), joins the two CP's in their conviction that Tancredo Neves really does represent a change and in their hope that repression of those claiming the name of communist will be ended.

Consensus

Even so, the consensus of optimistic expectation concerning the new administration is impressive. Salomao Malina, 60, leader of the PCB in Sao Paulo, explains in a pleasant voice: "We have reason to be optimistic." Aurelio Peres, 45, who is associated with the PCdoB, says: "I have a degree of optimism--our main objective was to put an end to the military regime." And Claudio Campos, 37, secretary general of MR-8, speaks with more enthusiasm: "We feel that the election of Tancredo Neves signifies a profound change in the social forces represented in the government. The thing that prevailed before was international financial capital."

That identity of viewpoints concerning the Tancredo Neves administration conceals disagreements and differing hopes. Salomao Malina, for example, is

sending a sort of message to the PCdoB when he comments that the "big party's" guiding principles presuppose a regathering of all the communist movements into a single party--while not neglecting to emphasize the theoretical and practical ambiguities of the "people in the PCdoB," who chose armed struggle during the 1960's. After all, the "big party" favors peaceful coexistence, and what it wants most, apparently, is a normal life like the other parties.

Aurelio Peres, who is a federal deputy for the Sao Paulo PMDB [Brazilian Democratic Movement Party], says he is happy with the consensus concerning Tancredo Neves, but he underscores the differences: "We have more points of agreement than of disagreement. But we cannot give up armed struggle, although it is not on the agenda with Tancredo's administration in office. It would mean depriving the working class of a strategy. The fact that Aurelio Peres and Olavo Setubal are part of a broad front does not mean that we are the same. The democracy he wants is not the one I want. It is different."

Aurelio Peres, who takes pride in being a factory worker, confesses that he was distressed when he cast his vote in the electoral college. The problem was that the other two worker deputies, Djalma Bom (PT, Sao Paulo) and Sebastiao Ataide (PDT [Democratic Workers Party], Rio de Janeiro), refused to vote for Tancredo. He voted after they did and felt a little uncomfortable. But he argues that Tancredo is a politician and for that very reason susceptible to pressure. He feels that if there is a strong people's movement, Tancredo will be sensitive to it.

Claudio Campos of MR-8 observes that the agreement in supporting Tancredo is important, but he tries to point out the differences. In his opinion, and despite noting the existence of the Liberal Front in Tancredo's administration, the basic forces that will sustain the future administration are national. And he emphasizes the national character of that support, setting it in opposition to what he considers an excessively strong multinational presence in the most recent administrations.

#### Going Public or Dissembling

Another point in common among the brother enemies is the opinion that by allowing greater freedom in the organization of parties before the constituent assembly, Tancredo Neves is making it possible for the communists to obtain legal recognition at last. Beyond that expectation, however, the differences emerge.

In an almost confessional tone, Salomao Malina explains that in addition to the fact that a constituent assembly cannot be based on exclusions if it is to be recognized as legitimate by international public opinion, it will be very important for the PCB to be legally recognized "from the standpoint of self-recognition as well. Conditions today are different than they were in 1945. In 1945, obviously, there was the fall of Nazi fascism. But at that time, the CP was smaller and, despite having a poor candidate for president (Iedo Fiuza), won almost 10 percent of the vote. I believe that we are probably a little larger today. But I would like to know exactly how many of us there are."

In Malina's opinion, the essential thing is that the communists not be regarded as exotic animals--that they be allowed a normal life, coexisting with other people with no problems. He has difficulty in pronouncing the word "pluralism," but he argues that the CP is now pluralistic both politically and culturally and wants reciprocity. He feels that the party is in a position to put up its own slate of candidates for the constituent assembly, but he does not rule out the possibility that a few members may run on the slates of other parties.

According to Aurelio Peres, the PCdoB intends to form its own slate. But Peres personally will have to run under the PMDB's banner, since he believes that the current list will result in his reelection. Since he believes that Tancredo is sensitive to pressure, and since the PCdoB is organizing the worker rank and file, he feels that the party's legalization will be inevitable.

The one not intending to achieve legal status and thus acquire autonomy is MR-8. Claudio Campos explains that the PMDB is a front and that MR-8 is comfortable in that front and feels no need for its own identity--in his view, that is an issue to be dealt with later.

#### Central Union Organization

The leftwing political parties believe in general that "the main objective of the working class"--a central union organization--can be achieved under the Tancredo Neves administration. And they are unanimous in feeling that rather than being a gift falling from heaven, it will be the result of a struggle that will have to be launched under the new administration.

The PCdoB says it is organizing the union rank and file (against the will of the PCB leadership) for a prolonged struggle that will end with a central union organization which it prefers to see as a single union--a pluralist entity, but single. That is also the PCB's view. The militants in the oldest communist party--it was established in 1922--believe that the best thing would be a single union, but they also do not rule out the possibility that there will be more than one: "It is reality that will answer that question," says Malina in a conciliating tone. MR-8 also prefers a single union and is struggling for one, but it does not fear the possibility that there will be more than one entity representing the workers.

None of the groups in question actually knows its own exact size. The PCdoB will invariably argue that it works among the rank and file. It has a newspaper called TRIBUNA DA LUTA OPERARIA and a publishing house that publishes Marxist books, many of them praising Enver Hoxha, the Albanian leader. The PCB presents its view of the world in VOZ DA UNIDADE, and its books are published by various publishers. According to Campos, MR-8 prints 35,000 copies of HORA DO POVO and sells that newspaper throughout the country.

With a few exceptions, federal deputies linked to the communist parties seldom admit their connection. For external consumption, Malina says: "If you ask me, I will say that the CP has no deputies." But it is the PCB that has the most extensive national network and militants throughout the country. The PCdoB's militants are more fervent, but there are fewer of them. And MR-8, despite the statement by Claudio Campos that it has 5,000 members, is much smaller than that.

11798

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BRAZIL.

# CHOICE OF PROBABLE NEVES CABINET MINISTERS DISCUSSED

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Feb 85 p 3

[Text] Brasilia--The cabinet has been defined. Its main outlines, based on the choices already made, although these individuals have not been formally invited to serve, can be drawn on the basis of the most recent talks between the president-elect and the main political leaderships supporting him. It is clear that Tancredo Neves is continuing to approach the matter cautiously, as he did in the press interviews granted yesterday. He reiterates that he has issued no invitations yet, and does not want to announce his team of top-level aides until after the beginning of March, following the appointment of the officers of the Chamber and the Senate. This is reasonable. Thus he will continue to talk, to arrange and to put the pieces together. In theory, he could change not just one, but all of the choices indicated. As this is most improbable, however, there is no reason to refrain from mentioning the names. Ministries are now indicated for:

- Francisco Dornelles--Finance
- Olavo Setubal--Planning
- Roberto Gusmao--Industry and Commerce
- Marco Maciel--Education (Culture will be made a separate ministry)
- Jose Aparecido de Oliveira--Culture
- Antonio Carlos Magalhaes--Communications
- Carlos Santana--Health
- Almir Pazzianotto--Labor
- Leonidas Pires Goncalves--Army
- Deoclecio Siqueira--Aeronautics
- Henrique Saboya--Navy
- Reynaldo Mello de Almeida--SNI [National Intelligence Service]
- Ivan de Souza Mendes--Military Household of the Presidency

A brief comment on each of these choices is worthwhile.

Francisco Dornelles seems to have won the bitterest contest of all because of having been not only the liaison element between Tancredo Neves and the present government, but precisely because he was a pro-Tancredo element in the government. Profoundly knowledgeable about the fiscal machinery, a careful observer of the current economic and financial policy, he will know where, why and how to change. He has had no political career, unaffiliated as he is with party groups. He has been the target of attacks from the sectors of the PMDB [Brazilian Democratic Movement Party] farther to the left,

but he has survived them. Only the fact that he is the nephew of the president-elect has worked against him, accepted unanimously as he is by business circles and by the majority of the party groups.

Olavo Setubal was another possibility for Finance, but in the end, pressure from radical groups because he is a banker excluded him. There was talk of his appointment to Foreign Affairs or Industry and Commerce, but his experience would be wasted with either of these alternatives. As one of the harshest critics of the current economic and financial policy, he maintains a balanced position, uninclined to support ventures which might dismantle the economy instead of reorganizing it.

Roberto Gusmao, as a representative of Sao Paulo, like Olavo Setubal, will represent the PMDB and Governor Franco Montoro.

Vice President Aureliano Chaves hesitated, but yielded to the appeal and advice of his comrades. He has no parliamentary mandate, and he is one of those who understands domestic energy problems best, and even if uninclined to use the ministry to strengthen the Liberal Front Party (PFL) he would serve in the ministry at least until the 1986 elections. Or until 1988, when he will certainly make a direct bid for the presidency of the republic for the recently created party. It is to him that Tancredo Neves owes his candidacy and his victory.

Marco Maciel, also a member of the PFL, is not president of the Senate only because he does not want to be. The confirmation of his leadership in Pernambuco and the Northeast, which is ironically compared with that of Governor Robert Magalhaes, seems to be pushing him toward an executive post. Perhaps he would like the Ministry of Interior, but local political issues, such as the need of the PMDB in Pernambuco for increased prestige, will in the end put him in the Education post.

Jose Aparecido de Oliveira was one of the first to support the candidacy of Tancredo Neves in PMDB circles. Presently serving as secretary of culture in Minas Gerais, he came to this post thanks to the president-elect.

Antonio Carlos Magalhaes is still facing opposition from his multiple adversaries, mainly now that he has preferred to remain in the PDS [Social Democratic Party] rather than join the Liberal Front. His appointment, however, is supported by a broad range of elements, from business circles to the evidence that he has established one of the best leaderships in Bahia and the Northeast.

In connection with the appointment of Antonio Carlos Magalhaes, it will be necessary to provide the PMDB in Bahia with some compensation, and this will come with the appointment of Carlos Santana for Health, apart from his capacity as a physician.

The first but not the only concession Tancredo Neves will make to the left wing will be the assignment of Almir Pazzianotto to the Ministry of Labor. He serves in a government post in Sao Paulo and also represents Governor



Franco Montoro, another of the great pillars of the triumph of the opposition candidate. It will fall to him to head a sector which is in turmoil, but one of which he has a profound understanding.

As to the military posts, the names mentioned are those of individuals who since the beginning, when things still seemed cloudy, came out categorically for observance of the rules of the democratic game. General Leonidas Pires Goncalves has the support of the army high command. Brigadier General Deoclecio Siqueira, a Superior Military Court judge, will not, properly speaking, be the candidate of Minister Delio Jardim do Mattos. Admiral Henrique Saboya can unify the navy, and General Reynaldo Mello de Almeida will have the task of rescuing the SNI from the mine field in which it now finds itself. General Ivan de Souza Mendes has the same qualities and characteristics as General Leonidas Pires Goncalves.

One cannot fail to conclude that the outline of the cabinet has been established on the basis of these indications, subject to alterations only if unexpected factors emerge. It is clear that any certainty for other posts is lacking, but those already mentioned allow one to draft a projection of what the cabinet of Tancredo Neves will be like--neither totally reformist nor completely conservative. But not at all, however, continuous, since even the presence of individuals still or at some earlier time linked with the regime justifies this conclusion. Those who come in will do so with a greater commitment to change, if not all the models, at least all the positions and concepts. With the exception of Francisco Dornelles, because of the singular fact that he still heads the Federal Income Secretariat, all the others, our civilian ministers, are characterized by definite opposition to and criticism of the postulates and policies of the current government.

As to the other ministries, as a function of the agreements reached by Tancredo Neves, the choice is narrowing. Two or at the most three choices emerge for each post, still dependent on the political agreements and definitions of the president-elect. Thus there are today three hypotheses for the Civilian Household--Affonso Camargo Netto, Fernando Lyra and Elieser Batista. If Affonso Camargo Netto is not the choice, he will become a strong possibility for the Ministry of Transportation. The same is the case with Fernando Lyra, since this parliamentarian from Pernambuco is the wild card in two other possible appointments, one to head one of the halves of the Ministry of Interior (which will be divided into a Ministry of Regional Development Bodies and a Ministry of Social Welfare) or leadership of the PMDB and the government in the Chamber. Former senator Marcos Freire may be appointed to head one of the two parts of the former Ministry of Interior, in case Fernando Lyra is not, since both represent the PMDB from Pernambuco.

For the Justice appointment, the most probable choice is Thales Ramalho, of the PFL, but Paulo Brossard (PMDB) is a viable possibility. It is necessary to know what the main intention Tancredo Neves has for this post--political coordination or preparation for institutional reform--is. If Brossard is appointed, this would mean that a special ministry for institutional reform would not be created, and parallel with this, Pedro Simon would not be minister of agriculture, since both are from Rio Grande do Sul. The PMDB

senator from Rio Grande do Sul might be given the Agriculture post or named to lead the party in the Senate, which would make the appointment of Humberto Lucena to head the presidential household more likely, given the decision of Marco Maciel not to accept that post.

With regard to Foreign Affairs, the appointment of Renato Archer remains likely, but if the new president prefers Fernando Henrique Cardoso, as another gesture toward the left wing, the veteran parliamentarian from Maranhao will have a ministerial appointment, probably to Mines, with the division of the Ministry of Mines and Energy. Both are PMDB members. No likely candidate for Social Security is clear, but it will certainly be given to the PMDB as well.

It is hardly likely that the picture will differ from this, with a few peculiarities. The first is that the real administrator of economic and financial policy will be Tancredo Neves himself.

The successor to General Joao Figueiredo wants to eliminate the palace cabinet, putting an end to the conclaves at 9 am and 3 pm at which everything is decided. He would then convoke complete cabinet meetings, and might perhaps even be inclined to remove leadership of the Civilian and Military Households and the SNI of ministerial status. He is expected to eliminate the special Ministry for Land Affairs and to return the National Security Council Secretariat to the Military Household or to transfer it to the Armed Forces General Staff. This is a post, moreover, for which no specific candidates have been indicated. One possibility, dwindling in recent days, is that a special ministry for renegotiating the foreign debt might be created.

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BRAZIL

PETROBRAS MAY INCREASE RESERVES WITHOUT NEW DISCOVERIES

Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 Jan 85 p 35

[Article by Moema Coelho]

[Text] Rio de Janeiro--Even if PETROBRAS does not discover a drop of petroleum this year, Brazilian reserves may increase by 492.5 million barrels. For that to happen, the only thing necessary is that the probable and possible volumes in new areas discovered in 1984 be transformed into proven reserves.

Carlos Walther Marinho, 56, director of exploration for PETROBRAS, explains that when a new field is discovered and a well is drilled for testing, the measured--that is, proven--reserves cover an area of only 400 meters around the well. Because of that, the field's potential is much greater than announced.

"The discoveries made in 1984 contributed proven volumes amounting to 10.5 percent of the estimated potential," says Carlos Walther Marinho, who reports that the proven reserves totaled 227.4 million barrels, but that probable and possible reserves add another 1.9 billion barrels, of which 81.75 percent are located in the Campos Basin in Rio de Janeiro.

Last year was considered "excellent" by the director of exploration, chiefly because even though drilling was down from 1,616,543 meters in 1983 to 1,344,985 meters in 1984, the volume of oil discovered per meter drilled rose from 24.8 cubic meters to 39.6 cubic meters, almost equaling the performance in 1979, when 41.3 cubic meters of petroleum were discovered for every meter drilled.

In the state-owned firm's budget for 1985, 3.29 trillion cruzeiros have been allocated to drilling and exploration activities (an increase in real terms of 19 percent over 1983), and according to Carlos Walther Marinho, priority will go to the development of petroleum exploration technology in deep water--which is considered to represent the future of Brazilian production. Until now, off-shore discoveries have been limited to depths of between 200 and 500 meters of water, but there was an announcement last Thursday of a well at a depth of 840 meters that might contain recoverable reserves of at least 500 million barrels.

"The biggest field discovered to date is the Namorado field in the Campos Basin, with 245 million barrels under 200 meters of water. The fields in deeper

waters may reach as much as 1 billion barrels, since their structures are much more extensive," says Carlos Walther Marinho.

Since PETROBRAS is still unfamiliar with the technology for exploring in deep water, it has joined a consortium made up of the world's largest oil companies. That consortium has commissioned two international engineering firms--Fluor of the United States and C. G. Doris of France--to develop the technological research for production at depths of over 500 meters.

In addition to the deep offshore areas, PETROBRAS is also turning to areas explored previously for a recheck. This applies to the Pelotas Basin on the coast of Maranhao and Para, the Santos Basin, and the Parana River Basin, where petroleum exploration was unsuccessful on previous occasions but where, as a result of advances in exploration technology, it may be possible this time to find oil or gas.

Brazilian Petroleum Reserves  
Volumes Added in New Areas: 1984  
(in millions of barrels)

Basin	Area or field	Proven	Probable	Possible	Potential
Campos	1-RJS-283 Carapebus				
	Eocene	0.8	2.9	-	3.7
	1-RJS-284 Carapebus				
	Cretaceous	75.7	-	133.4	209.1
	1-RJS-297 Namorado	14.8	-	95.4	110.2
	1-RJS-305 Carapebus				
	Oligocene	33.03	-	1,243.3	1,276.6
	1-RJS-305 Namorado	-	7.7	159.7	167.4
Bahia Hinterland	Alvorada Ranch	22.9	2.4	43.5	68.8
	Balsamo Ranch	51.7	24.1	102.8	178.6
	Rio do Bu	13.1	-	96.3	109.4
	Bela Vista	0.3	0.7	7.3	8.4
	Pedrinhas	-	0.6	13.5	14.1
Sergipe-Alagoas	1-SES-83 Area	15.0	-	-	15.0
Total		227.4	38.4	1,895.4	2,161.2

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BRAZIL

EMBRAER REDUCES EXPORTS, COMPENSATES ON DOMESTIC MARKET

Rio de Janeiro O GLOBO in Portuguese 3 Feb 85 p 35

[Text] Sao Jose dos Campos--The balance sheet for the Brazilian Aeronautics Company (EMBRAER) will not show a loss for last year, but only because, in contrast to recent years, exports were exceeded by sales on the domestic market--especially to the Brazilian Air Force [FAB]. The result, according to an estimate by the firm's Finance Department, which has not yet completed its work, is that net profit will probably be little more than the \$1 million recorded in 1983.

EMBRAER's sales manager, engineer Ozilio Carlos da Silva, says that the firm's exports totaled the equivalent of \$74.2 million, representing the delivery of 14 Bandeirante, 6 Xingu, and 16 Tucano aircraft to such countries as the United States, France, Honduras, and Egypt. Those sales were down from 1983, when exports totaled \$81.7 million. The drop was due mainly to slower sales to the United States, where the Bandeirante has been losing its market over the past 1.5 years to pressurized aircraft produced in Great Britain and the United States. The firm has delivered 41 Xingus to the French Navy.

On the domestic market, however, there was a significant response enabling EMBRAER to bill 325 billion cruzeiros. In comparison with 1983, the company's financial turnover covered the loss in value represented by inflation during the period, since EMBRAER billed 124 billion cruzeiros in that year. According to Ozilio Silva, 132 aircraft were sold last year and 154 were delivered (including 22 that had been sold the previous year).

Sales on the domestic market totaled 165 billion cruzeiros, and one of the best sellers was the Ipanema agricultural aircraft, of which 18 units were sold. The size of the market was underestimated at the start of the year, with the result that by the final months of 1984, several of EMBRAER's dealers around the country had no airplanes to sell, although demand was still strong. The FAB took delivery of 39 Tucano military trainers, and 15 Bandeirantes were sold on the domestic market.

The goal of \$100 million in exports for this year has been postponed until 1986, when increased Tucano sales and the first deliveries of the Brasilia aircraft are expected. The first Brasilia--a 30-passenger aircraft--will be delivered on 2 June to Provincetown-Boston Airlines during the Aerospace Show at Le Bourget Airport in France.

BRAZIL

WORKERS SPEND 18.5-27.3 PERCENT OF WAGES ON BUS FARES

Rio de Janeiro O GLOBO in Portuguese 3 Feb 85 p 35

[Text] Brasilia--Workers in Brasilia and Rio de Janeiro earning the minimum wage are the ones spending the largest percentage of their income on transportation to and from work, according to a survey conducted last December by the Interunion Department of Statistics and Socioeconomic Studies (DIEESE).

The survey, which was based on the minimum wage currently in effect--166,560 cruzeiros--concludes that while Rio de Janeiro workers spend up to 18.7 percent of their monthly pay on bus fares, the percentage rises to 27.3 percent in the case of workers in Brasilia.

The presidential decree of last October, which adjusted the minimum wage, says that transportation expenses range from 1 to 6 percent. The DIEESE's survey of bus fares in 12 capitals indicates, however, that workers earning the minimum wage spend between 9.8 and 27.3 percent of their income on transportation, or 20 percent more than the government estimates.

In the opinion of experts at the DIEESE, that fact "reconfirms the inadequacy of the current minimum wage for ensuring the individual survival of the worker, even though the Federal Constitution stipulates that those earnings must satisfy the basic needs of the worker and his family." The fact that the minimum wage is adjusted every 6 months, while bus fares go up every 3 months in many cities, "dramatizes" the situation of the Brazilian worker even further, according to the study.

The DIEESE bases its calculations on the assumption that a worker travels by bus 50 times a month (using transportation to get to and from work only 25 days

Transportation Cost as Percentage of Income

Capital	Monthly cost of transportation (cruzeiros)	Equivalent % of monthly wage	Government estimate (%)
Brasilia	41,500	27.3	-
Belo Horizonte	26,500	17.4	1.0
Rio de Janeiro	28,500	18.7	6.0
Sao Paulo	20,000	13.1	4.0

of the month, excluding Sundays). In none of the 12 capitals surveyed was there even a slight approximation between the portion of income spent on transportation according to government figures and the reality experienced by the workers.

In the case of Rio de Janeiro, for example, the presidential decree says that transportation expense amounts to 6 percent of the minimum wage. But the fact is--assuming two trips per day at the single or differential fare--that the monthly expense ranges from 26,500 to 28,500 cruzeiros at December prices, and that works out to a figure of from 17.4 percent to 18.7 percent of the monthly income.

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BRAZIL

BRIEFS

FIRST AMX PROTOTYPE---Sao Jose dos Campos--The EMBRAER [Brazilian Aeronautics Company] has begun assembly of the first Brazilian prototype of the Brazilian AMX, the fourth in the binational program in which the Italian Aermacchi and Air Italia enterprises are participating. The Brazilian aircraft is to be officially introduced at the factory in Sao Jose dos Campos in August of this year. The binational program for the development of the tactical AMX pursuit aircraft calls for the construction of six prototypes, four in Italy and two in Brazil, which will be subjected to all of the aircraft certification tests. The AMXT is to be produced on an industrial scale in 1986, and will serve to equip the air forces of the two countries beginning the following year, with the placement of approximately 250 units. The EMBRAER has the responsibility for 30 percent of the total program for the development and production of the new military aircraft, being in charge of the production of the wings, tail assemblies, air intakes, main landing gears and pylons. The enterprise has already put the EMBRAER Equipment Division (EDE), which is located in the Sao Jose dos Campos Industrial Park, into operation for the production of the AMX landing gear, as well as its wheels and brakes. Its production line will also turn out various hydraulic components, wheels, brakes and the landing gear for the T-27, or as the FAB [Brazilian Air Force] calls it, the Tucano, a training aircraft for military pilots. The EDE (which last year purchased the installations of a textile products factory from the family of businessman and Senator Severo Gomes) delivered the first landing gear complexes for the T-27 this week, and before the end of the year it will begin production of the pylons for this aircraft. Engineer Roberto Negrini Pastorelli, industrial manager for the EDE, has announced that various other items will be added to the production range of this unit in the next 2 years. The EDE was created as a part of the AMX program, using Ministry of Aeronautics resources. Its task is to acquire the technology for the production of some parts under license from foreign industrial firms, and to develop its own projects and aeronautical segments needed for the EMBRAER programs. These products may also be exported. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Feb 85 p 2] 5157

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CHILE

# NATIONAL GOVERNMENT OFFICES TO OPEN IN PUNTA ARENAS

Santiago LA NACION in Spanish 19 Feb 85 p 5

[Text] The president of the republic, Commander in Chief Augusto Pinochet Ugarte, will have a busy schedule from 2 to 9 March, when several National Government offices are established in Punta Arenas.

The chief of state will travel to Punta Arenas in the company of the nation's first lady, Mrs Lucia Hiriart de Pinochet, who will also take part in a series of separately scheduled activities.

Moneda Palace sources indicated that only Interior Minister Ricardo Garcia Rodriguez, Secretary General of the Presidency Maj Gen Santiago Sinclair, Secretary General of Government Francisco Javier Cuadra and Foreign Minister Jaime del Valle would remain in the capital.

In any event, the ministries would be represented by their undersecretaries, except for Foreign Relations, it was noted.

The sources reported that the president of the republic would visit the towns of San Gregorio and Monte Aymond, the latter along the Argentine border.

President Pinochet's tentative program in Punta Arenas also includes meetings with workers, the Secretariat of Women and the Secretariat of Youth, at sites that the intendancy of the 11th Region will indicate later.

The president also plans to meet with private sector representatives and to chair a cabinet meeting in the southern city at a date yet to be determined.

President Pinochet's activities in Punta Arenas will begin on Saturday 2 March when the regional intendant, Brig Gen Luis Danus, reports on the various projects that are under way and on the plans that have been drawn up for the region in the short, medium and long term.

The establishment of National Government offices in Punta Arenas is a course of action proposed by the president himself late last year. National Government offices will probably be set up in other regions of the country as well in the months to come.

CHILE

PROMOTIONAL UNIT MONETARY SYSTEM UNDER ATTACK

Santiago HOY in Spanish 18 Feb 85 pp 10-11

[Text] Some 160,000 families will be forced to swallow a bitter pill in early March. As always, the bill for their mortgage payment, measured in Promotional Units, will arrive by mail. This time, however, each of these families will have to shell out 70 extra pesos for each UF.

The monthly subsidy of a half UF that the government granted in January to mortgagors who are paid up and have loans of up to 1,200 UF's is thus beginning to run through their hands like sand. This is one of the effects of the 3.1 percent rise in the consumer price index in January, the steepest jump for the month in 8 years.

The January rise in the CPI will have broader repercussions, however. The UF, which stood at 2,291 pesos this Monday the 18th and which is adjusted by the monthly inflation rate, is an economic yardstick that is applied to a variety of prices. The boost will also be felt by renters, parents, insurance policy holders and debtors in general, who will see increases in rents, private school tuition and consumer credit installments, among other things.

Debtors in a Crunch

Business will also be hard hit. In November, almost 11 percent of all loans in the financial system were quoted in UF's, as were most of the reschedulings that the government arranged for the private sector. Domingo Duran, the president of the Confederation of Agricultural Producers, complained bitterly about the UF's last week:

"They are actually infernal units of destruction, because they're stronger than any currency, even the dollar. In other words, no one can afford them, no matter how much you get for what you produce."

Although the adjustment granted in January to the public sector, PEM [Minimum Employment Program] and POJH [Jobs Program for Heads of Household] has cushioned the impact of inflation, some did not

receive it. The workers who did not benefit from collective bargaining (close to 3.5 million) can only hope that their employers boost their pay, as recommended by the government's economists. For these workers, the consumer price index has risen close to 70 percent since August 1981, when the last comprehensive adjustment was made.

In spite of the 1,000 peso adjustment (PEM pay is now 3,000 pesos, POJH 5,000), the workers in these two program are still earning less than the legal minimum wage, which is 8,000 pesos a month now.

If we add in the unemployed, we get a figure of close to 950,000 people who are having to really tighten their belts. Small business in particular is hard hit by the low buying power. Luis Kiger, the president of the Chamber of Retail Commerce, told HOY that January sales were down close to 50 percent, a drop that cannot be explained just by the vacation season.

Pointing an accusing finger, Kiger says that "the rise in the CPI has been devastating; it is drowning debtors in UF's and shrinking the basic shopping basket."

#### Government to Blame

Paradoxically, the public sector is one of the main culprits in the rising inflation problem, businessmen charge. Ernesto Ayala, the president of OFOFA [Industrial Development Association], said that the rise in the rates of the three public utilities easily exceeded the 23 percent increase in the CPI; telephone rates were up 64 percent; oil prices jumped 43 percent, and gas prices climbed 44 percent.

Something similar happened in January. According to the National Institute of Statistics itself, the 3.1 percent jump in the CPI was due mostly to the "increases in public utility rates and in the fuel prices."

The Economy Ministry countered this criticism by citing a study that explains that government-run enterprises have a cost structure different from the CPI. In the judgment of the ministry, if these increases had not come through, state-run enterprises would be running permanent deficits.

It is more than just theoretically necessary for these enterprises to post profits, unlike in other countries, which subsidize basic services. The public sector has to be run this way to meet the budget deficit levels that the IMF has stipulated.

The impact shows up in the inflation rate, which is also fueled by a rising dollar, leaving wage earners between the devil of the UF and the deep blue sea of their pay.

## Negative Savings Rate

The purpose of the UF was initially quite different, however. According to Humberto Vega, the director of the Labor Economy Program of the Academy of Christian Humanism, the unit was created during President Frei's administration in a very different context, with adjustments equal to 100 percent of the rise in the cost of living, controlled interest rates and a policy of domestic market development, industrialization and a selective diversification of imports. Vega comments:

"The UF was there to protect the savings of the poorest segments of society and to encourage long-term savings. It was the Chicago boys who extended the unit to all economic variables, thus managing to bring wages down and to heighten inequalities."

The argument that orthodox economists advance against a change in the UF is that short-term savings and part of the funds in the AFP's are denominated in it. If debtors no longer had to pay back in UF's, the financial system could not in turn pay enough interest to depositors, and therefore savings would be discouraged.

Nevertheless, a study that Vega did for the Development Studies Center ("Public Savings Under a National Policy of Development and Democratization") contends that the savings rate has been negative in Chile since 1974, in spite of the UF benefits and high interest rates that savers have received. Therefore, Vega feels that the UF can be abolished for negotiating debts and that adjustments in UF should be made only for long-term savings channeled towards investment, not towards speculation.

In any event, the outcry for eliminating the UF is growing as loud as the CPI is climbing high. Kiger says that "the government ought to eliminate the unit for debtors and leave it just for investments." Duran is also calling for an end to the UF as one of the farmers' main demands.

After receiving their March mortgage payment notices, 160,000 families will probably share this view. We should not forget that if the country achieves the 26 percent annual inflation rate that the pact with the IMF calls for, by December the UF will be up to around 2,900 pesos.

8743

CSO: 3348/410

CHILE

## ENAP SCHEDULES GASLINE, METHANOL PLANT CONSTRUCTION

Santiago EL MERCURIO in Spanish 12 Feb 85 pp C-1, C-2

[Text] A gas pipeline approximately 185 kilometers long, designed to supply the methanol plant that will be built in the area of Cabo Negro, will be constructed by the National Petroleum Enterprise (ENAP) in Region XII.

This project, which represents an investment of about \$40 million, to be financed by the Inter-American Development Bank (IADB), is directly related to the methanol and fertilizer programs that are being carried out by two foreign firms with a view to exporting the products. They require a total investment of about \$900 million.

The gasline, according to what official sources at ENAP told EL MERCURIO, will run between Planta Posesion and Cabo Negro, and will have a capacity of 5.3 million cubic meters per day. Its diameter has not been decided yet, although it will probably be 18 inches. Its pressure will be 1,500 pounds per square inch.

In the first stage, the project will make it possible to deliver the promised gas without the need for intermediate compressor stations, it was explained.

The detailed plan is one of the three subprojects that will be carried out with the help of \$48 million in loans extended by the IADB last December. The other two subprojects involve exploration, including the compilation of geophysical data and the drilling of seven wells in the Magallanes Basin; and the remodeling of the refineries at Concon and Concepcion in order to improve their operations.

### Methanol Plant

The methanol project entails the installation of a plant to produce 2,268 metric tons per day of this product, fuel grade or chemical grade. The plant will be located in Cabo Negro, some 30 kilometers north of the city of Punta Arenas.

This plant will be built, financed and operated by The Signal Methanol Inc., a firm which has already signed the necessary supply contract with ENAP. The contract has a term of 20 years.

Gas consumption will total 2.2 million cubic meters per day.

Considering escalation and financial costs, the investment in this project totals about \$400 million.

The firm that owns the plant will finance the project through the system known as "Project Financing," in which ENAP does not participate and the Chilean Government does not guarantee the loans that are granted, it was reported.

#### Jobs

The program calls for the basic engineering and specifications stages of the project to begin in the first quarter of this year, and for construction of the complex to be completed by the end of 1987. The plant is expected to begin commercial operations in early 1988.

The design and construction will be carried out by the Kellogg firm, with the assistance of national contractors. About 800 people will work on the project at the beginning, and an effort will be made to maximize the use of local and national human and material resources, it was stated. During the normal operation of the plant, approximately 200 people will be employed, while more will be employed indirectly.

#### Fertilizers

Meanwhile, the fertilizer project consists of the installation of a plant to produce 350 metric tons of ammonia and 1,725 metric tons of urea daily. It will be located in Punta Porpesse, in the area of Cabo Negro, near the facilities of the National Petroleum Enterprise.

This plant will consume 1.6 million cubic meters of gas per day, for a period of 20 years. It will be financed and operated by a consortium made up of the Cargill and Combustion Engineering firms, and its design, of the modular type, will be executed by the Lummus firm.

The investment, including escalation and financial costs, will be about \$500 million in this case, and it will be financed the same way as the aforementioned project.

During the construction and assembly phase, the project will provide jobs directly to 750 persons, and another 450 will be employed during the normal operation of the complex.

The different phases of implementation will take place during the same period as the aforementioned project. In this case, however, some minor details must still be worked out to finalize the contract, it was reported. This is expected to take place at the end of this month.

8926

CSO: 3348/397

CHILE

## ALL MINISTRIES MAKE PLANS TO STEM URBAN MIGRATION

Santiago LA NACION in Spanish 12 Feb 85 p 32

[Text] The establishment of an efficient transportation service, the creation of educational programs that meet the needs of each region, the determination of university professionals' needs, a streamlined tax system for regional development, a bill to define the faculties of the Regional Development Councils (COREDES), and studies of the birthrate over the past decade, are just a few of the actions envisioned in the ministerial program designed to help regional cities attract population.

It is hoped that this program will help reduce migration toward the central regions, and thus promote the harmonious development of the country. All of the ministries will participate in this action, with specific tasks assigned to each and coordinated, depending on their nature, by different secretariats.

In addition, it is hoped that the private sector will be attracted to this project, because its participation in the country's progress and harmonious development is essential.

For this purpose, the Interior Ministry established through the National Planning Office (ODEPLAN) the tasks to be completed during 1985 in the areas of communication, broadcasting, education and culture, development, technology and science, participation, administration, and birthrate studies.

Together with this strategy, it has been decided to give special priority to promoting the settlement of Region XI.

### Communication

The Interior and Transportation and Telecommunications Ministries have been assigned to work through the intendencies, governors' offices and municipal governments to propose a policy to enable the government enterprises that provide transportation and communication to render proper and efficient service between the central cities of the region and the outlying cities and towns. They have been given until 30 June to work out such a policy.

In the area of broadcasting, the characteristics and potential of each region will be reported through National Television, the daily LA NACION, and Nation-

al Radio, with participation by all the ministries. The report on this subject must be drafted by 30 March.

#### Education

A program of artistic and cultural competitions will also begin, aimed at sparking the interest of local residents in their own cultural values.

At the same time, complementary education programs will be developed to focus on determining the characteristics and potential of the regions. The pilot project is already in full swing in Region X. The analysis of the national situation must be completed by 30 June.

In addition, a study will be conducted to determine university locations so that universities can provide academic and professional training to generate intellectual, cultural and artistic activities and thus attract university graduates to these regions. This task has been assigned to the Education Ministry, which must deliver its first report by 30 June.

A scholarship program will also be set up so that students from isolated areas can continue their studies in the principal regional cities. Sources of financing will be determined through reports to be prepared by the Interior and Education Ministries by 30 June.

#### Development

Before that date, a report must be completed on the delineation and maintenance of the architectural and urban character of the regional and provincial capital cities.

Alternatives will be proposed to provide incentives, such as zoning allocations or increased pensions for people who retire to or settle in these regions. This activity will be coordinated by the Ministry of Labor and Social Benefits.

It should be noted that officials of the ministry will also look into the feasibility of a tax system to encourage the development of productive or service activities in these regions, and the possibility of discounts in the prices of public services in these regions.

#### Participation

The Interior Ministry has been assigned to draft a bill to define the faculties of the Regional Development Councils (COREDES) by 30 June.

With regard to administration, the state governments that have not already done so are expected to regionalize their operations.

A bill containing statutes for officials of municipal administrations will be drafted and proposed; it will contain, among other things, a definition of the municipal civil service.



As for the study of the development of the country's birthrate and trends in the past decade, ODEPLAN's "Ministerial Programs for 1985" document indicated that "in these regions a decline in the birthrate has been observed, a factor which should be taken into consideration for the purpose of formulating the necessary policies, since regional development will not be possible without sufficient population."

The "Ministerial Programs for 1985" document outlines a strategy for regional development aimed at two objectives:

1. To strengthen the regional and provincial capitals so that they can be centers of attraction and influence in their areas, and so that the process of migration toward Santiago can thus be curbed.
2. To pursue economic development to improve the utilization of natural resources---both renewable and non-renewable---and at the same time incorporate aggregate value into them, through the use of advanced technology and the employment of local manpower.

Job sources are oriented toward the goal of increasing productivity, with an emphasis on encouraging acceptance of the changes brought about by the use of new technologies.

At the same time, the strengthening of the cities should be understood to include the expansion of health, legal, educational and communication services to bring these cities up to the same level as Santiago in terms of the services provided. Emphasis will also be placed on urban development, which along with increased intellectual stimulation will make life in the country's outlying cities more pleasant and attractive.

#### Display Window

"It is thus essential that regional authorities make the capital city a display window to show off their resources, for the purpose of attracting private investment."

The population problems in the Metropolitan Region have led to environmental pollution, housing shortages, and problems in transportation, basic services (sewage, potable water and electricity), education and health. These difficulties demand a hefty public investment, which in turn serves as one more factor, in addition to the other causes of rural-urban migration stemming from technological advances and human progress, to attract more migrants to the capital.

Aside from all those problems, there are the consequences of changes in customs that are intrinsic to a population center of 4 million people like Greater Santiago.

8926

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CHILE

NATIONLONG COASTAL HIGHWAY SYSTEM PROPOSED

Santiago EL MERCURIO in Spanish 15 Feb 85 p C-3

[Article by Francisco Eterovic]

[Text] Punta Arenas--The advisory office of the "Chile of the Future" Project has proposed to the Supreme Government the creation of a coastal highway system linking the Arica shore with Puerto Montt and another network from the end of President Pinochet Highway to the south of Navarino Island.

The information was provided by former lawmaker Mario Arnello, who is working on the "Chile of the Future" Project.

Two project advisers have already taken an on-site look at the route from the Beagle to Seno Grandi and have judged it feasible.

They spent 2 days walking through the forested river and lake region to Seno Grandi, where they were picked up by a ship.

The toughest stretch of the system would be a road skirting the ice-covered Patagonia region, but studies have shown that one can be built if ferries are used at certain points.

Two advisers are currently conducting an on-site inspection of an area south of the Montt glacier.

A road between Estancia Vicuna and Yendegahia in southern Tierra del Fuego is also regarded as feasible, he stated.

"It is easier elsewhere in the country," Arnello noted.

"We have indicated 195 settlement sites" along the coastline, the former legislator emphasized.

About 400 persons have helped conduct the various studies involved in the "Chile of the Future" Project.

## Regions

In stressing the importance of our outlying regions, he indicated that "the Magellan area is particularly important. I would say that as far as maritime and air communications in the southern part of the world are concerned, Punta Arenas will be the big port and the big airport of the future in the comprehensive development of this part of the world."

8743

CSO: 3348/410

CHILE

BRIEFS

ANTARCTIC BANK ESTABLISHED--Puerto Montt--Manuel Saldias Perez, an official with the Banco de Credito e Inversiones de Puerto Montt, flew yesterday from Punta Arenas to the Antarctic to represent his bank at the Lieutenant Marsh Base. The local agent of the Banco de Credito, Mariano Gonzalez, said that Saldias had been selected for the mission from among the bank's 2,000 employees around the country. He will serve the Chileans residing on the frozen continent, who include several families, handling passbooks, savings accounts for housing, money orders for relatives, etc. [Text] [Santiago EL MERCURIO in Spanish 14 Feb 85 p C-2] 8743

RUSSIAN CREWMAN MEDICAL EMERGENCY--Talcahuano--Yesterday at midnight the Soviet fishing vessel "Rawrer Tsvetkovo" arrived in Talcahuano, having radioed maritime authorities in that port from 360 miles west of Isla Mocha that a crewmember had suffered a cardiovascular complication on board, and asked permission to enter Chilean waters. Permission was granted, and the fishing vessel headed for Talcahuano, while a doctor from the Naval Hospital radioed instructions for treating the patient. The patient will be sent to that health care center, which is located on the naval base. [Text] [Santiago TERCERA DE LA HORA in Spanish 30 Jan 85 p 4] 8926

CSO: 3348/397

COLOMBIA

PRC DELEGATION SEEKS INCREASED TRADE, TECH TRANSFER

Bogota EL TIEMPO in Spanish 5 Feb 85 p 3-B

[Excerpt] A delegation from the municipality of Shanghai, the largest and the most economically developed city in the People's Republic of China, is visiting Colombia to strengthen trade relations between the two countries.

The visit coincides with the celebration next 7 February of the fifth anniversary of the renewal of diplomatic relations between Colombia and the Chinese Republic.

The delegation is headed by Lu Guoliang, director of the Shanghai municipal government Committee for Economic and Trade Relations with Foreign Countries, a branch of the Ministry of Foreign Economic Relations and Trade of the People's Republic.

The commission, which arrived in Colombia on 31 January and will remain in the country for a week, seeks to establish contact with representatives from the government and from the private sector in five specific areas of interest: exports, imports, foreign investments (in China as well as in Colombia), technology transfer and technical cooperation.

The delegation consists of ten people who, besides representing the Committee for Economic and Trade Relations with Foreign Countries, also represent two large economic corporations from the municipality of Shanghai: the Corporation for Economic and Technical Cooperation with Foreign Countries and the Shanghai General Corporation for Foreign Trade.

9907  
CSO:3348/381

COLOMBIA

JAPAN PROVIDES TRAWLERS, EQUIPMENT, TECHNICIANS

Bogota EL SIGLO in Spanish 16 Feb 85 p 10

[Text] On Thursday, 28 February, the ambassador of Japan to Colombia, Yoshio Fujimoto, will officially present the second gift of ships and equipment donated to the Colombian government for use on the Tolu coastal zone, pursuant to the agreement signed between the two countries for the development of fishing in our country.

Minister of Economic Development Ivan Duque Escobar and Sergio Restrepo Londono, manager of the IFI [Industrial Development Institute] will preside at the presentation ceremony, which will be attended by representatives of the Japanese government and authorities and businessmen in the department of Sucre.

The Japanese ambassador will make the official delivery of eight fishing vessels of the trawler type, with the necessary equipment for navigation and fishing, an ice-producing plant with its storage area, a refrigerator truck, a camper, an outboard motor launch, replacement parts for the maintenance of the engines, additional apparatus for keeping the fishing boats operational, and the tools necessary for the establishment of a maintenance workshop.

A breakwater wharf was built by a Barranquilla engineering firm at an estimated cost of 30 million pesos, and the equipment was brought from Japan by the Greater Colombian Merchant Fleet.

For 2 years, the Japanese government will provide the specialized services needed for the optimal operation of the project, supplying a fishing administration adviser, a marine engineer and freezer equipment maintenance adviser, and an adviser for fishing techniques.

Tolu Pilot Center

With a view to promoting the development of Colombian coastal fishing, a technical and financial agreement was signed whereby Japan has undertaken to donate equipment and technical aid through the establishment of personnel training centers and headquarters premises for fishing operations.

Colombia in turn will contribute financial resources through the Industrial Development Institute, for the installation of the equipment and project operation.

With a view to decentralizing the fishing operation location, Tolu was selected as a pilot center for the development of this project, which was realized in fact through the establishment of the Tolu Colombian Fishing Enterprise, S.A. (PESTOLU) in 1980.

5157

CSO: 3348/413

COLOMBIA

1984 FOREIGN INVESTMENT SOURCES LISTED

Bogota EL ESPECTADOR in Spanish 18 Feb 85 p 8-A

[Article by Marcela Giraldo: "Turn Seen in 1984 Foreign Investment"]

[Excerpt] Foreign investment in Colombia in 1984 showed an upturn of 49 percent in relation to the preceding year, but in absolute terms it continued to fall short of the country's needs, while the allocation of resources abroad has declined sharply in the past 5 years.

Direct foreign investment showed an increase of \$60 million over 1983, when it reached only \$109.7 million, and 1982, when the figure was \$139.2 million.

Nineteen countries invested in Colombia in 1984, in the manufacturing sector above all, while resources were invested abroad in eight countries, led by the United States, Peru and Panama.

The United States received the largest direct investment allocations, also during last year, with an amount totaling \$69.5 million.

Next in importance were Luxembourg, with \$18 million, Japan with \$16 million, Great Britain with \$15 million, Italy with \$10 million, Switzerland with \$7 million, Panama and Canada with \$6 million each, and Sweden with \$5 million.

The smallest of the investments authorized by National Planning went to Peru, with \$115,000, but it was also there that Colombia made the largest placement of capital, \$6 million, even larger than that in the United States and Panama, which totaled approximately \$4.5 million.

5157

CSO: 3348/413



COLOMBIA

# 1984 EFFECTIVE PUBLIC EXPENDITURE DROPPED 40 PERCENT

Bogota EL TIEMPO in Spanish 18 Feb 85 p 8-A

[Text] The Colombian economy saw growth of 3 percent in 1984 (the highest figure in the past 4 years), but public investment dropped 40 percent in real terms, according to the final and official figures released by the government.

The development of public investment is indicative of the financing difficulties the state has faced, which have made successive cuts in the corresponding categories necessary, in view of the loss of resources which the treasury previously obtained from the Special Exchange Account, National Planning has reported.

The turn taken by the gross domestic product last year reversed the trend which had been seen since 1985 [sic] when the rate of economic growth began to decline significantly, to the point of reaching a level below 1 percent. The development of industrial production and of the agricultural sector (excluding coffee) contributed to this recovery.

The manufacturing industry saw growth of more than 7 percent in 1984, as compared to 1 percent in 1983, while in the 2 years immediately preceding that there were indices as negative as -0.3 percent.

The farm sector showed an increase in turn of 0.8 percent, excluding coffee production, and 3.3 percent if it is included. The figures in this sector are higher than those for the past 3 years.

The construction industry showed positive growth rates, as a result of the increase in investments in public projects, the generation of electrical energy and urban housing construction, in real terms.

On the mining front, the government termed 1984 "a truly exceptional year," during which the successes in oil prospecting stood out, and the trade balance for oil showed a surplus of \$50 million.

The rise in the consumer price index (18.2 percent) continued to fall below that at the beginning of the decade, and the wholesale price index stood at 21 percent.

Unemployment continues to be the major national problem. At the end of 1984, the unemployment rate in the four main cities exceeded 13 percent. The employed population in the informal sector (54.1 percent) was greater than that in the formal sectors (45.9 percent).

In the foreign sector of the economy, a considerable drop was seen in international reserves, as a result of the current account deficit in the balance of payments and foreign credit difficulties.

In the monetary sector, the government reported that there was "an increase in the real liquidity of the economy" in the past 18 months, and that a return to a scenario in which primary expansion explains the greater part of the monetary growth has been seen. While the payment means increased, the so-called "quasi-moneys" declined as compared to 1983.

The fiscal deficit, although it continues to be high and worrisome, showed a reduction in the trend toward explosive growth seen during the 1979-1982 period. Direct taxes increased by 20 percent and the sales tax increased by 30.6 percent. Sixty percent of the budgeted expenditures went for administration, the debt service increased by 31 percent, and public investment expenditures dropped 40 percent.

5157

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COLOMBIA

BRIEFS

ISLANDS EXCLUDED FROM TAX--The government has exempted the San Andres and Providencia Archipelago from the new 8 percent import tax established within the norms for eliminating the nation's treasury deficit. [Excerpt] [Bogota EL TIEMPO in Spanish 2 Feb 85 p 12-A] 9907

PRESIDENTIAL GUARD COMMANDER--Col Bernardo Ramirez Lozano took command of the Presidential Guard Battalion, replacing Col Sigifredo Delgado Caldas, who was transferred to the Army's Office of Education. [Photo Caption] [Text] [Bogota EL TIEMPO in Spanish 31 Jan 85 p 2-A] 9907

CSO: 3348/381

CUBA

## DISAPPOINTMENTS, ACCOMPLISHMENTS OF 1981-1985 FIVE-YEAR PLAN

Havana BOHEMIA in Spanish No 51, 21 Dec 84 pp 28-34

[Article by doctoral candidate Jose Luis Rodriguez, a university professor, researcher and assistant director of the Center for World Economic Research]

[Excerpt] 1981-1985 Five-Year Plan: Results of First 3 Years

During the 1981-1985 five-year plan, the industrialization policy was still the centerpiece of the country's strategy for economic development.

The achievement of the objectives set forth for the 1981-1985 five-year period involved a series of requirements that included significant progress in socialist industrialization; adequate coordination of basic investments; strengthening and broadening the cooperativist movement in the rural sector; enhanced multilateral education of the people and a higher level of education among the cadres; the consolidation of the Economic Management and Planning System (SDPE); the promotion of the organization of work and wages; a higher level of economic efficiency and enforcement of the policy of savings based on regulations; expanded international economic relations; and a continuation of efforts to raise the people's standard of living and to consolidate the institutions of the socialist society.<sup>6</sup>

The goals to be achieved during the 1981-1985 period could be summed up in an average yearly growth rate of 5 percent, for a total increase in the Gross Social Product (PSG) of approximately 28 percent during the 5-year period.<sup>7</sup>

During the first 3 years of this 5-year period, the Cuban economy was once again hit hard by the deepening of the slump in the international economy, characterized by a new crisis in the capitalist economy that was even worse in some ways than the crises of 1974 and 1975.

The negative impact of the crisis on the Cuban economy has continued to show up in sugar prices, more than anything else. These prices fell from an average of 16.89 cents a pound in 1981 to 8.46 cents in 1983 (in U.S. currency).

Similarly, between 1980 and 1983 there was a decline in world market prices for other major Cuban exports, such as citrus fruits and nickel.

These downward trends came about amid a growth in the prices of the manufactured goods exported by developed capitalist countries. Thus, it is estimated that the terms of trade in Cuba's commerce with the market economy countries deteriorated by 55.4 percent between 1975 and 1982.<sup>8</sup>

The effects of the critical economic situation were also felt in the financial sphere.

As part of the investment effort in the Cuban economy in the past few years, and thanks to the temporary improvement in commercial and financial ties with a group of developed capitalist countries--based on the acceleration and consolidation of our country's development--major loans were taken out during the 1970s. As a consequence, our foreign debt in freely convertible currency rose from 291 million pesos in 1969 to 2,913,800,000 pesos in June 1982.<sup>9</sup>

". . . The only solution left for the country, in view of the legacy left by previous government officials and the events that had political origins but economic effects, was to capitalize the country through a massive influx of external resources, which would inevitably lead to the accumulation of a foreign debt. The growth rate of that debt could begin to slow down by the end of the 1981-1985 five-year period (that is, after a period of about 10 years during which the development program matured, evidently a minimal period of time) and be reduced somewhat from then on."<sup>10</sup>

The loans obtained under such circumstances did help meet the Cuban economy's external financing needs, but in 50 percent of the cases they were granted with terms of just 5 years, and almost all of them were commercial loans.<sup>11</sup>

The unforeseeable increases in interest rates that began in 1978 consequently had serious adverse effects on the servicing of the debt. Thus, it has been calculated that the increases in interest rates above the average level of 1978 represented additional payments of about 582 million pesos that the country had to make between 1979 and 1983.<sup>12</sup>

The country's financial situation was also damaged by the increasing hostility of the U.S. Government, which pressured the international financial community to block all Cuban access to any kind of credit.

As a result of this pressure, and amid a generalized retraction in the financial market, just between October 1981 and August 1982 there was a net withdrawal of loan funds from Cuban bank deposits of 470 million pesos.<sup>13</sup>

All of the above factors together, plus the fall in sugar prices, produced a very tense financial situation in the summer of 1982. Thus, despite the domestic austerity measures adopted, the expansion of exportable funds, restrictions on imports from market economy countries, and the cooperation of countries in the socialist community, Cuba's freely convertible foreign reserves shrank by 60 percent in 6 months, falling to a low of 110 million pesos in August 1982.<sup>14</sup>

Under these circumstances, the National Bank of Cuba requested that part (36 percent) of the foreign debt be rescheduled to a medium term, in September 1982.

"The rescheduling of the foreign debt in the proposed manner is based on the fact that the Republic of Cuba is a developing country, and its need arises from the constant harassment the country has suffered at the hands of the governments of the United States,<sup>15</sup> which has been stepped up notably by the current administration, and from the sugar policy of some of the principal developed market economy countries that produce beet sugar. Cuba is a besieged country, and it therefore demands terms that will attenuate the consequences of this aggression."<sup>16</sup>

Our economy's solvency and payment capacity were put to the test. The renegotiation of the payments for 1983 did take place, however--not without difficulty--and it finally yielded satisfactory results, despite the pressure of all kinds exerted by the United States to ensure its failure.

In September 1982, then, Cuba proposed to renegotiate 100 percent of the payments due in 1983, with a 3-year grace period and 10 years to pay. The agreements reached for the official debt in March 1983 entailed the renegotiation of 95 percent of the total due in 1983, with 3 1/2 years of grace and 8 1/2 years to pay off the total debt. In this way, 578 million pesos in payments were postponed.<sup>17</sup>

Amid the aforementioned adverse conditions of other countries' economies, the Cuban economy nevertheless has continued to develop the industrialization program it had set forth for the 5-year period.

In fact, gross investments totaled about 3.206 billion pesos in 1981, 2.996 billion in 1982 and 3.310 billion in 1983. Of these amounts, about 36 percent was earmarked for industry between 1981 and 1983.

The country's overall economic performance also showed significant results during the first 3 years of the 5-year period.

The growth of the PSG was supposed to be 5 percent a year during the 5 years. The annual plans adjusted that figure, however, to 8 percent for 1981, 2.5 percent for 1982, and 2.5 percent for 1983. The growth rates actually obtained were 12 percent, 2.7 percent and 5.2 percent, respectively.<sup>18</sup> This means that according to the 5-year plan, cumulative growth after 1981, 1982 and 1983 should have been 13.5 percent; the actual figure was 21.0 percent, yielding an annual growth rate of 6.6 percent for those 3 years.

On the other hand, the success of the period were due in large measure to the increase in labor productivity, which rose 10 percent in 1981, 1.7 percent in 1982, and 3.5 percent in 1983, for a cumulative growth rate of 15.8 percent and an average annual increase of nearly 5 percent.<sup>19</sup>

## Overview of 25 Years of Economic Development

In general, an overview of the development of the Cuban economy over the 25 years between 1959 and 1983 reveals the following achievements:

--More than 38 billion pesos has been invested in the country's development. Of that figure, gross investment in the industrial sector exceeded 11 billion pesos (approximately 29 percent of the total), while that of the agriculture and livestock sector was more than 10 billion pesos, 27 percent of total investments.

--An average annual economic growth rate of approximately 4.6 percent has been achieved, with a per capita growth rate of 3.0 percent between 1959 and 1983. Industrial production has risen at an average annual rate of 5.0 percent, while the agriculture and livestock sector has grown at 2.9 percent. The increase in the social productivity of labor, which attained a growth rate of approximately 2.7 percent between 1960 and 1983, played a key role in these results.

--The indispensable groundwork has been laid for accelerating the country's industrialization and for the ultimate rectification of the structural economic deformities inherited from the capitalist era.

--The people's standard of living has risen, with the development of the basic social services of education and public health to the same levels as in developed countries, while per capita personal consumption multiplied 2.4 times between 1958 and 1980.

Thus, in the middle of the crisis that is gripping the underdeveloped world, as the Cuban people face the constant aggression by the U.S. imperialists and struggle ceaselessly against the consequences of underdevelopment, they can look forward to tomorrow secure in the knowledge that that future belongs completely to socialism.

### Fundamental Indicators of the Development of the Cuban Economy: 1959-1983 (Average annual growth rates in %)

	1959-83	1960-70	1971-80	1981-83
Growth of national economy (measured in terms of PMT* at constant prices)	4.6%	3.6%	5.2%	6.6%
Per capita growth of national economy (measured in terms of PMT at constant prices)	3.0	1.6	4.0	5.9
Value of gross state investment (billions of pesos, at current prices)	38.896	8.1672	20.8716	9.5121
Growth of gross labor productivity	2.7	0.4	4.3	4.9
Growth of value of gross industrial production (at constant prices)	5.0 (1)	4.8 (2)	4.7	6.6
Growth of value of gross agriculture and livestock production (at constant prices)	2.9 (1)	3.4 (2)	2.6	1.2

- Notes: (1) 1962-1983  
(2) 1962-1970

Source: Figures calculated by the author, based on official Cuban statistical sources.

\*PMT = Total Material Product (equal to the total production of the industrial, agriculture and livestock, and construction sectors. Ed.)

#### FOOTNOTES

6. Ibid., pp. 15-36.
7. Ibid., p. 37.
8. Estimates based on Economic Commission for Latin America (ECLA). "Notas para el estudio economico de America Latina 1982 Cuba" [Notes for the Economic Study of Latin America 1982 Cuba] E/ECLA/MEX/1983/L. 22/Rev./ 18 October 1983, p. 36.
9. National Bank of Cuba (BNC). "Informe Economico" [Economic Report] August 1982, p. 44. According to data from the BNC, at the end of 1983, the foreign debt totaled 2,862,100,000 pesos. "Informe Economico," March 1984, p. 39.
10. BNC. "Informe Economico," August 1982, p. 16.
11. Ibid., p. 45.
12. Ibid., p. 37 and "Informe Economico," March 1984, p. 28.
13. BNC. "Informe Economico," August 1982, p. 51.
14. Ibid., p. 52.
15. The economic cost of the blockade imposed by the United States on Cuba is estimated at \$9,081,300,000 as of 31 December 1981. See Ibid., p. 13. Estimating a similar trend in its effects in the last 2 years, it can be assumed that this amount has increased to \$9,989,500,000 through 1983, or nearly \$10 billion over 22 years. See also State Committee for Economic Cooperation (CECE) "Acciones tomadas por el gobierno de los Estados Unidos en sus relaciones economicas con la Republica de Cuba" [Actions Taken by the Government of the United States in Its Economic Relations with the Republic of Cuba] REVISTA ECONOMIA Y DESARROLLO No. 68.
16. BNC. Ibid., p. 55.
17. See BNC. "Informe Economico," August 1982, pp. 17 and 55-56, and "Informe Economico," March 1984, p. 35, and GRANMA, 2 March 1983.



18. See "Informe del Co. Humberto Perez a la Asamblea Nacional del Poder Popular" [Report by Col Humberto Perez to the National Peoples Government Assembly], GRANMA 30 December 1981, 29 December 1982 and 23 December 1983, and the State Committee for Statistics (CEE) "La economia cubana 1983" [The Cuban Economy 1983] and "Anuario Estadistico de Cuba 1982" [Statistical Yearbook 1982] and cited reports of BNC.

19. Ibid.

8926

CSO: 3248/245

CUBA

LARGE-SCALE EMBEZZLEMENT OPERATION RECOUNTED

Havana MONCADA in Spanish Dec 84 pp 12-14

[Article by Estela Guerra]

[Text] Once again, MONCADA reports to its readers on a case of embezzlement, in which, as has been noted on other occasions, the lack of control and discipline, and excess confidence by the higher authorities have allowed such violations to occur with temporary impunity.

On 29 August 1983, the Peoples Court of Santiago de Cuba sentenced citizens Juan Manuel Rodriguez Perez, Roberto Haber Haber, Teofilo Lores Carvajal, Jose Rodriguez Diaz and Pedro Cobos Pajan to 20 years in prison. Other defendants were sentenced to terms of 15, 13, 10, 8 or 2 years.

After nearly a year of intensive police work, Case No. 1134/83, which involved crimes including embezzlement, concealment or omission of facts, failure to report a crime, blackmail, bribery, speculation and hoarding, drew to a close. The amount or damages and losses to the state was nearly 5 million pesos, and once again it was shown how the lack of control, organization, systematic supervision and discipline, and excess confidence can be crime's greatest allies.

Through the specialized work of the National Revolutionary Police (PNR) in Santiago de Cuba, it was learned that certain "officials" of the Municipal Food Products Enterprise were carrying out criminal activities there. This information was soon corroborated by many complaints registered by some administrators of retail commerce units under that entity's jurisdiction.

The complex investigation required the intervention of experienced specialists and joint action with them.

Organized Chaos

Juan Manuel Rodriguez Perez, alias "Piruli," 44 years of age, took advantage of his position as director of that enterprise, with close ties to other "officials" of that institution, to violate the regulations and provisions that govern the National Accounting System.

These violations included transferring large amounts of merchandise in the units called fundamental or independent units, or those that operate with

large volumes of products--with annual totals in the millions of pesos--in order to conceal shortfalls.

For these purposes he would place people he trusted implicitly, almost all of them residents of the town of El Cobre in the municipality of Santiago de Cuba, where he also lived, in positions of great responsibility.

This enabled him to exert absolute control over the structure and management of the enterprise, and thus to be constantly apprised of the shady deals and operations carried out by his subordinate partners.

This individual became so corrupt that he allowed some administrators to cover up holes in the records by confiscating goods, and sometimes by "adjusting" merchandise that was to be sold.

Along with Haber Haber, the main accountant at the enterprise, Piruli created "collection" mechanisms without limits on amounts, to demand that administrators with deficits pay the differences. Rather than filing a report on those administrators in accordance with regulations, he would call them into his office to legalize the transaction, because the enterprise could not show "financial losses."

The accomplices had to turn the money over to the block or area "chiefs," who would draw up vouchers indicating whether or not the missing funds were to be allocated, and in other cases, they would deposit the funds as if they had come from daily sales.

The management of the enterprise padded the funds in bank account no. 342, which was part of the enterprise's assets, making it appear that many of the deficits were collections, and giving the impression of "profitability" when the truth was just the opposite.

This collection mechanism was applied only to the administrators who agreed to meet his requirements, as in the case of Unit 6095 in Los Llanos de Maceira, in El Cristo, headed by Concepcion Perez. The block chief demanded that Perez pay 15,985.83 pesos because of a shortage that an audit carried out by "officials" of that enterprise reportedly revealed.

Perez was told that if she did not make the payment, she would be turned in to the authorities. Even though she continued to protest this requirement, her family feared that she would be implicated in a criminal case and scraped together the money.

Rodriguez Perez, through Haber Haber, issued credit memorandums made out to "officials" of the storage warehouse located in the district of La Risuena in this city, for the purpose of making "adjustments" for agricultural products that supposedly spoiled. Thus, the shortages in this unit were covered up, in violation of the provisions of pacts signed between the two entities. Between January 1981 and June 1982, he took in 196,050.77 pesos through this method.

During the investigation, it was learned that in October 1980, Jose Enrique Borrero, Ambrosio Hernandez and Teofilo Lores appeared at Unit 3917, La Mora,

in El Cobre, administered by Ruben Reyes Zamora. They claimed to be there on behalf of the director of the enterprise, to transfer 7,000 pesos in merchandise to that establishment.

Without suspecting a thing, Reyes Zamora carried out the necessary transactions and received the shipment. But the following day, the three men returned and notified him that they had to take those products to a fish market that was going to open in a few hours. When the administrator inquired about the documents required for the transfer, they told him they would be sent afterwards.

Time went by, and Reyes Zamora did not receive what he had asked for, so he filed a complaint against the director of the enterprise at the closest unit of the National Revolutionary Police.

When he learned about this action, Piruli ordered an inventory to be conducted at the unit of the intransigent administrator, to "adjust" for the shortage. As a lesson to Reyes Zamora, Piruli ordered him demoted to the post of clerk in the same unit.

That amount of money was never reimbursed to the original unit, nor was it deposited in the banking agency.

#### More Inside Information

During the court hearing, it was revealed that these criminal procedures were aimed not only at making a personal profit, but also at favoring those administrators who served his interests by covering up shortages or artificially creating them.

The culprits allowed and sometimes approved of "adjustments" of large amounts of merchandise that had supposedly spoiled, without the presence or supervision of specialists. This is required by Branch Regulation 15, issued by the Ministry of Domestic Trade, which states that any shrinkage, deterioration or breakage of turnover goods or materials, regardless of the amount involved, must be subject to an investigation to verify that it has actually taken place within the limits of the loss standards set forth in that provision, before the director of the enterprise can authorize any adjustment.

Such a violation occurred at the Comandante Manuel Fajardo Unit in the city of Santiago de Cuba. There, on 25 October 1981, Rodriguez Perez authorized from his office an "adjustment" of industrial goods totaling 13,976.84 pesos in value, without the previous verification. Many of these products were for sale, and others had been subject to adjustment more than once, as the PNR proved during the proceedings.

Antonio Rodriguez Diaz, alias "Chacha," 41 years of age, was supposed to oversee and dispense the input materials at the central warehouse, among other duties. Some of these goods were to be used for repairs in subordinate units, but he would take construction materials for the private use of certain members of the board of directors, as in the case of those he diverted for the home of Teofilo Lores and that of Rodriguez Perez himself.

## Give and Take

Another defendant, Pablo Cobos Pajan, 39, administrator of Unit 4309 in that municipality, made "adjustments" for more than 99,000 pesos.

Since the specialists in Crimes Against the Economy were already aware of the violations being committed by some of the "officials" of the enterprise, and of the participation of Cobos Pajan, an audit was ordered. It revealed a deficit of 12,943.77 pesos in industrial products and 3,608.41 pesos in foodstuffs, for a total of 16,552 pesos, which together with the 99,608.35 pesos in "adjustments" brought the total to 116,232.53 pesos.

Most of the 27 people arrested had lifestyles that were not commensurate with their incomes. For example, in one of the searches made of Haber Haber's home, police seized 6,000 pesos in national currency and a bank account containing 63,000 pesos in the name of an uncle of his who makes a monthly wage of 168.00 pesos.

Among the numerous modus operandi were the direct theft of foodstuffs and industrial goods; transfers of products at altered prices; the use of purchase orders to buy other goods for the private consumption of these "officials;" recording basic items in the units as being released and then marketing them later; and holding marathon sales of merchandise that was recorded as being transferred to different establishments.

In the audits it carried out, the PNR showed that the Santiago Norte enterprise had not implemented Branch Regulation 12, which provides for the organization of accounting in these institutions; nor were Decree Laws 30 and 36 being enforced. These measures specify the penalties to impose on administrators or employees who are responsible for shortages.

Before the legal proceeding, none of the administrative agencies in charge of enforcing regulations had filed charges against the accused. This lack of control and organization allowed these violations to occur with temporary impunity.

8926

CSO: 3248/245

MEXICO

MILITARY COMMANDER ON DRUGS, WEAPONS, TOURIST ASSISTANCE

Mexico City EXCELSIOR in Spanish 31 Dec 84 p 5-A

[Text] Tampico, Tamaulipas, 30 Dec--Gen Miguel Angel Godínez Bravo, commander of the Seventh Military Zone, asserted today that drug and arms smuggling has not declined in the country. He accused the United States of supplying the black market dealing in weapons.

He added that large volumes of drugs and arms are circulating clandestinely in the country, despite the permanent battle being waged by the government against groups of drug traffickers and arms smugglers.

He noted that the military, in coordination with the Federal Judicial Police, have destroyed large expanses of hectares planted with marijuana in the country, and about 60 traffickers have been arrested.

The major marijuana market is the United States; and for this reason many Mexican farmers harvest the drug and emigrate to that country with considerable shipments. He claimed that this situation has brought about losses of labor, money and lives in the rural areas.

With regard to the arms traffic, Godínez Bravo maintained that, in Mexico, everyone wants to own a pistol, submachine gun or rifle, which has fostered the United States' becoming the leading supplier of this equipment on the Mexican black market for weapons.

The member of the military denied that the arms shipments entering the country legally are turned over to subversive groups.

He also remarked that, this month, slightly over 600 military troops have been detailed to the federal highways converging in Tamaulipas to assist vacationers; and stressed that the plan to aid tourism has had positive results, which will make it possible to change the negative image that Mexico has abroad.

2909

CSO: 3248/232

NETHERLANDS ANTILLES

NEW PARTY TO OPPOSE ARUBAN SEPARATION FROM ANTILLES

Willemstad AMIGOE in Dutch 17 Dec 84 p 6

[Text] PAS [Movement for a Six-Island Antilles], the movement to retain the union of the six Antilles islands, decided to become a political party. The movement, which has for some time been opposed against Aruba's plans to leave the Antillian constellation, decided to take this step because as a "movement" it received inadequate cooperation to fight the disintegration of the Antilles.

The PAS chose 15 December as the beginning of its new status as political party because it was on this day that the six Antilles islands could look back to a period of 30 years of registered progress shared by all of them. The PAS believes that during this period the people of the islands developed also in a political sense. It was then that they came to the realization that they had the right and even the duty to make their own decisions on a national level.

The party, and also the movement against the disintegration of the Antilles was founded by Jose Frans, Junior de Pree, and Boy Marchena. They intend to get the new party involved in national politics in particular. Party member de Pree says: "We expect adequate support. Even as a movement we already received support from many layers of the community. From the upper, as well as the lower classes." The PAS will, therefore, enter next year's elections. According to de Pree it is in favor of a federal structure for the Antilles but, an overhaul of the present structure is necessary at any rate. The founders are still filled with confidence about the party's future. In answer to questions on this subject de Pree said that he does not expect that it will share the fate of the META party which participated in several elections but could never seat a representative.

10319  
CSO: 3214/18

NETHERLANDS ANTILLES

CROES ARGUES FOR POSTPONING ARUBAN INDEPENDENCE

Willemstad AMIGOE in Dutch 21 Feb 85 p 3

[Text] The Hague/Willemstad--MEP [People's Electoral Movement] leader Betico Croes wants a postponement of Aruba's date of independence, which was set at the Round Table Conference at 1 January 1996. Croes' argument is that foreign investors will be more willing to invest their money on Aruba if the island remains a part of the kingdom for a longer time.

The Aruban politician made this statement today in an interview with the Dutch daily DE VOLKSKRANT. "Aruba must become in the 1990s a showcase for Dutch trade and industry in the Latin American hinterland, which by that time will become increasingly important to international commerce in financial and economic terms," Croes said, thus advancing primarily economic rather than political reasons for his suggestion to postpone independence.

Croes also said that he will relinquish his right to be the first prime minister of Aruba as of 1 January 1986 if the MEP loses its absolute majority in this fall's elections. Croes considers this to be a real possibility. "It is true that our party has lost popularity since the disastrous Lago closing. It is by no means certain that we will lose our absolute majority. The opposition should not act as if it has already won the Aruban parliamentary elections for after 1 January 1986. Of course the opposition is going to exploit the Lago closing, but we in the island government will be doing everything to absorb these powerful blows through economic restructuring," the MEP leader said.

He acknowledged in the interview that he came to the Netherlands in part with an eye to his safety during the carnival season. "I had better provide for my safety," Croes said. "For this reason, there will be individuals keeping an eye on things immediately after my return to Aruba, call it a sort of bodyguard. I've suffered enough blows and cannot run any more risks." Croes said that he also went to Europe in order to consult with the West German Social Democratic Party (SPD) concerning possible German financial support for Aruba.



The politician said today after his return from Germany that he has always contended in the past as well that Aruban independence should be preceded by a study conference at which it should be determined whether independence by 1996 is indeed feasible. He affirmed unconditionally that he holds to the introduction of separate status for Aruba on 1 January 1986. According to Croes, this is a precondition for being able to strive effectively for political stability and for working on restructuring the economy of the other five Antillean islands.

Croes is concerned specifically with the postponement of Aruban independence. By no means in deferring the date of putting into effect the island's separate status, the assistant director of the Aruba House in The Hague, Niro Damian, emphasized this morning to AMIGOE. When the MEP leader will officially broach the possible postponement of the date of independence with the other partners in the kingdom remains an open question, Damian said. He stressed that such a postponement is for the moment nothing more than an idea being looked into by Croes because of the unexpected economic situation into which Aruba has fallen.

The idea was indeed brought up as early as last November within a small circle of the MEP, the official from the Aruba House intimated. This was occasioned by the announcement by Lago that it will close its refinery on Aruba. In view of financial and economic prospects for the island, a postponement of independence should perhaps be considered. This could give Aruba the opportunity to regain economic stability over the course of a few years, such was the thinking at the time. Nevertheless, it is very unlikely that a request to postpone the date of independence for Aruba will be made at short notice by the MEP leader. After all, this suggestion has not yet even been raised for discussion in the Aruban Island Council, Damian said. He said that he considers it not out of the question that this proposal will not be raised until after the separate status is put into effect.

12271

CSO: 3214/19

PERU

SOVIET INFLUENCE ENHANCED BY COMMERCIAL, CULTURAL EXCHANGES

Lima EL COMERCIO in Spanish 8 Feb 85 p A-2

[Article by Oracio Daniel Rodriguez: "Soviet Trade 'Exchange'"]

[Text] (INTERCO PRESS)--The plan for any political campaign in Latin America, Africa or Asia, taken ready-made from certain "principles in fashion," includes one or several phrases referring to "dependence." This term, in the jargon for the use of the masses, usually means the presence or absence of foreign capital and, at the same time, the imbalances in foreign trade levels. The synthesis of this type of language is reflected in a tradition of anticapitalism, often encouraged by the same local capitalists who benefit from certain credit advantages from the protective populist state, although they take their sustenance basically from the fundamental schemes conceived in the laboratories in the Soviet Union or Havana, and now Managua, and always by any communist party.

The use of the scheme in question has only one basic goal, having little or nothing to do with the country in question: manipulating public opinion to oppose the European and North American "ogre" who "sucks the blood of the exploited peoples" by means of "economic intervention" in local business affairs.

Whether it is a question of building a dam in Africa or Latin America, establishing an automobile plant or an oil or chemical investment, a loan for road construction or sewage projects, the phantom of "imperialism" is stirred up with the speed and energy with which Goebbels could convince the Germans during the Nazi regime that "the Germans are happy."

However, while the Soviet Union is replacing domestic advisory offices when it comes to the building of the dam on the Middle Parana in Argentina or the Salto Grande dam between Argentina and Uruguay, anchovy fishing in Peruvian waters, the dredging of rivers in Venezuela or oil prospecting in Mexico, there is a surprising, accomplice-like silence about it in the very plants which invented the mistaken concept of "dependence." In the most nonchalant fashion, the programs of the communist parties themselves include in their provisions the demand that these commitments go forward. No matter that the Peruvian anchovy fishermen have inferior conditions for exercising their fishing rights, that the privileges included in the respective agreements with Moscow or with the Argentine and Uruguayan consultants are replaced by exclusive clauses in the agreements signed with the Soviet state consultants.

In these cases, there is no "threat." With the warning bells silenced by the pro-Soviet plants, the phantom of dependence vanishes.

The curious phenomenon which has been setting records in this middle of the decade of the 1980s also extends to the realm of cultural exchange. No fewer than 100 Soviet groups invaded the southern zone of the Latin American continent in 1984, traveling through Brazil, Argentina, Uruguay (no matter that in the latter two there were military governments then, since the timeliness of these "visits" does not involve the type of government, in an unexpected broadening of the concept of "brotherhood") Bolivia and Peru. It would be unnecessary to add that tens of refugees from similar cultural groups have explained in detail how the agents of the KGB or another of the repressive Soviet police agencies travel as members of these groups. This matter can easily be dealt with by ignoring it. Similarly, as is the case with the Peruvian fishermen or the Argentine or Uruguayan consulting agencies, the theaters available to these groups but difficult of access to many local companies pose no serious or grave problems for the intellectuals who push the artistic merits of these groups. "Dependence" seems to leave no mark on their keen concepts of praise.

An incomplete survey of the Soviet presence in South America in the course of the past 5 years recently indicated that almost no aspect of economic activity was excluded from Soviet trade interests in the zone, from railroads and subways to the supplying of paper or hybrid corn and wheat seed. What is certain is that within this same period, Soviet trade "exchange" with this part of the continent grew so steadily that it has quintupled in the portion of the decade of the 1980s already elapsed. And direct investments are following a similar path, whether through turnkey construction--delivery of completed enterprises--or direct partnership investments, and parallel to these procedures goes the securing of exclusive rights for fishing or transportation and the processing of oil products.

An agreement recently signed with Brazil and another similar one with Argentina involve the sale of Soviet crude oil for processing in these countries and then reexport to other markets. The crude oil in question was negotiated at the "international list price," precisely at a time when this list price was but an indifferent indicator of the real price, since it was beginning to be possible to buy this same crude oil on any market at \$2-3 per barrel less, because of the larger supply of crude oil on the market. In this way, the Soviet Union succeeded in keeping a preferential price in effect at the expense of the Latin American refineries. Naturally, the Soviets kept silent about the fact that both the technology for and the installation of these refineries to which they contributed were precisely the product of the "dependence" with which the European countries and the United States were being charged.

Examples such as those mentioned are abundant in this era in which the Soviet "investment surge" is beginning to dominate. This is something, after all, which the USSR itself is pursuing without the slightest difficulty with U.S. gas enterprises and with major Italian automobile enterprises, in which it makes substantial investments through the exchange of goods and products brought to Moscow from the European satellite countries.

The mechanisms of international commercial added value which are beginning to apply to the USSR correspond almost step by step with the development and growth of 19th-century capitalism, but with a voracity which leaves those initial capitalist steps far behind. With one added factor: Just as the ballets or theater companies include careful agents of the repressive police bodies, this zeal for investment and trade will go hand in hand with a suffocating embrace from which it is difficult to get free, due to the weak level of the economies on this continent. Following these agreements will come true dependence, from which it will perhaps be as difficult to escape as it is from the smothering embrace of brotherhood being offered.

5157

CSO: 3348/395

PERU

PERCOVICH ON USSR DEBT PAYMENT AGREEMENT

Lima EL COMERCIO in Spanish 9 Feb 85 p B-2

[Excerpt] Santo Domingo, 8 Feb (DPA)--Peruvian Minister of Foreign Relations Luis Percovich said today in the Dominican capital that his country has reached an agreement with the Soviet Union on payment to it in traditional and nontraditional products to cover the debt taken on by the military government through its purchases of weaponry.

This high Peruvian official, who was attending the third ministerial meeting of the Cartagena Group being held in Santo Domingo on foreign indebtedness, did not specify the total amount of the debt to the USSR.

In fact, he told journalists, Peru owes the Soviet Union for weapons which were purchased by the preceding regime. He said he did not know the exact amount, but that our debt to the USSR for this year comes to \$180 million.

"In an important arrangement," he added, "we have reached an agreement for the payment of this amount in products. Last year," he further explained, "Peru paid the Soviet Union about \$4 million in this same connection in traditional products such as fish meal and mineral ores, and nontraditional products such as textiles. This year," he stressed, "we also have a completed agreement for the payment of \$180 million in this way."

In connection with the proposed political dialogue with seven industrialized countries to deal with the problem of the Latin American foreign debt, Percovich said that he hopes that this meeting will come about, because it is of interest to both debtors and creditors.

5157  
CSO: 3348/395

PERU

# DAILY ACCUSED OF EDITING PAPAL WORDS ON LIBERATION THEOLOGY

Lima EL DIARIO DE MARKA in Spanish 9 Feb 85 p 7

[Editorial by Efrain Ruiz Caro, guest writer of the week, in the "Sabado Politico" (Political Saturday) section: "EL COMERCIO Censors the Pope"]

[Text] In Peru, one who reads only the daily newspaper EL COMERCIO is doomed to fail to learn about what is really happening. In the best of cases, he will know half of it. Or, what frequently happens, his disinformation will have reached such an extreme that he will be convinced of one thing, when in reality what happened was the opposite.

The distortion of statements and events, except for unimportant ones, is the norm. To prove this it suffices to compare, for example, the headlines with the corresponding reports in that same veteran newspaper, particularly where international news is concerned.

This manipulation of the news, which of course is neither accidental nor without a purpose, has been made obvious, on exhibit as if in a show window, in connection with the visit paid by the Pope to our country.

The speeches of the Vicar of Christ have been mutilated and censored by EL COMERCIO with such abandon that they are not released from responsibility by the supplement published later carrying the full text of his statements. This is a part of the known technique of manipulation. The majority of the readers are impressed by the first information they read, and either for lack of time or an inclination toward noninformative reading, only a very small minority go back to the texts of long speeches to read them.

In principle, it is the ethical obligation of so-called objective daily newspapers to publish the complete texts of the speeches delivered by the Pope daily. All of the others did this except for EL COMERCIO, which summarized them.

Lack of time? Lack of space? No. Absolutely not. Daily newspapers of half its size did do this. In addition, the official texts reached the editorial offices long enough in advance of their delivery.

The truth is that the majority of the statements made by the Vicar of Christ do not coincide with the ideology and the political and economic interests

EL COMERCIO defends. And this newspaper, using and abusing the "unlimited freedom of the press" which it has by divine mandate, includes in its summaries only those portions which suit its position, excluding all the rest.

In other words, EL COMERCIO has allowed itself the luxury of censoring the Pope on such basic matters as the official position of the Catholic Church concerning life on earth. Let us examine some examples.

EL COMERCIO omitted a basic aspect of the papal message to the diplomatic corps accredited to Lima: His Holiness condemned the "intolerable insults to human dignity being suffered today by men and women due to racial discrimination, forced exile or torture."

In its headlines, EL COMERCIO stressed only those parts of the other speeches censuring totalitarian ideologies, violence and class hatred. On these subjects, it carried the full text of the pertinent paragraphs, but excluded all those in which His Holiness noted the dramatic situation of our people due to injustice and social, economic and cultural inequalities, the insulting wealth of a few and the poverty of all the rest. Also censored was every positive reference the Pope made to the theology of liberation, the statements by the bishops of Lima, Medellin and Puebla and the papal statement about the commitment of the Catholic Church to the poor.

But it was in the summary of the speech in Ayacucho that the scissors of the oldest of the Peruvian newspapers cut most boldly. The speech in Ayacucho dealt with eight aspects which were numbered in the official text distributed to the media. Point No 6 was addressed to the "men who have put their confidence in armed struggle." From EL COMERCIO, it would seem that the whole of Pope John Paul II's message was based on this point. There were only a few brief references, avoiding the basic, the profound, the transcendent aspects, made.

The references made by the Pope to the October 1984 document on the theology of liberation were deliberately omitted. It was addressed to "the members of the church in Peru: I urge them to be the first to make themselves an instrument of reconciliation, hope and fully liberating justice." "In this indispensable effort to change individuals and structures, remember always that a commitment to liberation which is not inspired by the propositions of truth, justice and love, with no exclusions, and which is not accompanied by actions working toward reconciliation and peace, is not Christian."

The statement "It is urgent to bury violence, with access to the goods of the earth for all" was not even reproduced for its beauty.

EL COMERCIO also ignored the urging by His Holiness to follow the teachings of "your bishops and priests," and the statement that "this faith also aids you in achieving the wisdom of a Christian humanism, with the radical assertion of the dignity of every human individual as a child of God, and to establish basic brotherhood. Thus this popular religious movement embodied in your culture, thanks to this fraternal content, can and must be the most formidable mechanism for liberation from the unjust structures which oppress your peoples."

EL COMERCIO has concealed the appeal to the international community to set "aside all discriminatory treatment in trade exchange, above all on the raw materials market."

The readers of EL COMERCIO did not learn that an unknown hand arbitrarily altered the message read to the young people. A press conference was held and an investigation ordered concerning this incident. But in the apocryphal text read, charges were made against the Peruvian bishops. EL COMERCIO made use of its exclusive freedom of the press to conceal this from the public, just as it concealed other facts pertaining to the Pope, such as the presentation of the medal of the city of Lima by its mayor, Barrantes Llingan, the embrace of consecration bestowed on Bishop Bambaren, or the words spoken by the bride and bridegroom Victor and Irene Chero on behalf of the young people in Villa El Salvador.

Those who only read EL COMERCIO are unfortunate, because they did not learn what John Paul II truly said.

We Peruvians who are victims of the unlimited freedom of the press as understood and practiced by EL COMERCIO are unfortunate.

We will be blessed when we replace this "unlimited freedom of the press" with the right of all to information.

5157

CSO: 3348/395



SURINAME

DISENCHANTMENT WITH MOVE TOWARD 'DEMOCRACY'

Paramaribo OM HOOG in Dutch 13 Jan 85 pp 1, 3

[Quotation by the Catholic weekly in its column "Plain Talk" of an article in the KERKBODE (Church News)]

[Text] At the moment there is a lot of talk about democratic structures. Broad segments of the population are being informed. The reason is, of course, the planned assembly. We also read a well thought-out article on this subject in the KERKBODE of the Evangelical Brotherhood Community. Information from that denomination is also welcome.

We are, therefore, pleased to quote it.

It is a long time ago that I shared with you my conversations on the road. Even though there are reasons enough to do so more often. However, I have been so busy . . . .

I just did not find an opportunity to sit down at my typewriter.

However, I think it is worth the trouble to tell you about a conversation I had last week. I met an old friend, a little older than myself, a good citizen who has always pulled his weight. After we had asked each other about our health, family, and mutual friends we got to talk about a number of topical subjects. My friend who is now enjoying his pension after a busy career and who retired to the plantation where he grew up, asked me the ins and outs of the so-called democratic structures. To my regret I had to admit that I did not know too much about them. But now follows the conversation we had.

Theodorus: Johannes, I do not get it, you know. In the first place I was always told that democracy concerns the will of the people. I am just an ordinary person but I cannot remember ever having been asked during the past 4 years what my wishes are.

Johannes: Theodorus, my friend, you state the essence of our problem. One hears that Suriname wants this or that, but who is Suriname?

You and I, we are no longer Suriname. A new pharaoh has come and he has not known Joseph. I mean to say that the people no longer count. We are actually worse off than in the days before Bos Verschuur and all those great sons of the past.

Then we were told: In your home, about you, without you. Ma dat' na' her' san tidei (Sranan expression).

Theodorus: Well, if I am really getting you, we have lost ground in the past years as far as democracy is concerned.

Johannes: Theodorus, I will try to explain this to you. We must start all over again and I hope that we get the chance to do so.

Theodorus: But Mr Johannes, I heard that several persons have been thinking about the so-called "democratic structures". I heard from military persons, labor union leaders, and business people. However, what astonishes me is that I never heard that the churches and other religious groups have been asked for their opinions. Come to think of it, religious people represent a lot more people than the three so-called partners.

Johannes: Theodorus, my friend, you do not seem to understand. Or do not you want to? If one should ask the church for its opinion somebody could be in a lot of trouble. Do you know why? Because the church cannot afford to just go along with certain things. The church will have to look for the truth and must give an honest opinion.

Theodorus: Johannes, you are right, because do you know what else I find strange? In 1983 when the EBG's [Evangelical Brotherhood Community in Suriname] gave its answer to the so-called "25 February Movement" it never got a reaction. There was also no reaction to the CCK's [Committee of Christian Churches] answer.

Johannes: But I do believe that the churches should clearly state their point of view. The church does not have to wait till it is asked.

I often notice that persons connected with the church, the leaders therefore, voice their opinion in their own circles but they do not give us a pastoral message which tell the public something substantial and fundamental about elections.

Theodorus: Johannes, mi brei gevaarlijk dat' mi met' joe tidei (Sranan expression). Look, you have so many friends who are pastors and you know many priests personally, why do not you tell them that the people want to hear once more what they think about "democratic structures"; they should also then discuss the "alternative" I heard about on RADIO NETHERLANDS.

Theodorus: Johannes, you are, therefore, also listening to RADIO NETHERLANDS?

Johannes: But I listen first to the NVD [National Information Service]. One should always compare opinions to find the truth.

This was our conversation on the street corner near the market.

Passing it on to you seems to me the right thing to do because Theodorus and I are really Surinamers prepared to do anything for our country and we really love it. It is my impression that my conversation with Theodorus is similar to those between many of our countrymen these days.

I hope to see Theodorus again very soon. He hurried to his bus and I also moved on.

My mind was still full of "democratic structures".

10319

CSO: 3214/18

VENEZUELA

AD RELATIONSHIP WITH LABOR SECTOR REPORTEDLY STRAINED

Caracas BOHEMIA in Spanish 28 Jan-3 Feb 85 pp 6-9

[Text] If Romulo Betancourt had not enjoyed "labor peace," his government might have succumbed to the combined attack of the reactionaries of the right and the raving Marxists of the left in the 5-year period 1959-1964. Labor peace has reigned throughout these 27 years of the Venezuelan democratic system. That climate of understanding--if not beatific harmony--between the management class and the organized working class has been the amniotic fluid in which the fetal democracy flourished. Today it is a strapping youth. However, that youth is threatened: labor peace has virtually ended.

Luis Raul Matos Azocar's resignation from Jaime Lusinchi's government is only the outward manifestation of a process that had to explode someday. The anger and the disillusionment of the leaders of the powerful AD [Democratic Action] Union Bureau on whose shoulders the current government reached power began with the first economic and financial decisions of the current administration. That anger and disillusionment are also felt by other AD leaders like Gonzalo Barrios. The AD unionists and the majority of the leaders and members of this social democratic party are simply convinced that the government is not fulfilling its pre-electoral commitments to them, according to their interpretation. Secretary General Manuel Penalver, Luis Alfaro Ucero, secretary of organization, and other top members of the CEN [National Executive Committee] think that the chain breaks at its weakest link during any economic crisis. In Venezuela, for example, "the high cost of living and the inadequacy of wages and salaries falls on the shoulders of the workers." One of those top AD leaders told BOHEMIA: "No one is better off because the economy, after a year of government by President Lusinchi, has not been revitalized." Consequently, the members of the Union Bureau warn that "the privileged sectors and classes must quickly realize the seriousness and depth of social dissatisfaction that is incubating in the people." The unionists add: "Those who oppose the reforms, those who do not agree to a ceiling on their monopolistic profits, should look at the reality of other nations."

Birthday Amidst Turmoil

All this comes at a time when the government is approaching its first anniversary in the midst of turmoil. It clearly means--this is not speculation by feverish journalists--that the Union Bureau and the AD have put themselves

in the opposition. It means that the AD leaders will not permit the same thing to happen to their party as happened to COPEI [Social Christian Party] under the administration of Luis Herrera Campins. It means, in short, that the AD members are angry because the agreement made between them and the team that governs today has not been fulfilled.

A short string of quotations suffices to corroborate that:

"The workers have the right to apply pressure with deadlines and strikes."  
(Luis Raul Matos Azocar)

"It is not a matter of wage increases but social change." (Antonio Rios, national union secretary of the AD, to journalist Lesbia Delgado of BOHEMIA in an interview that will be carried in our next issue)

"We are going to annoy Pedro Brito." (Juan Jose Delpino reacting to Brito's statements against the demand for wage increases by the CTV [Confederation of Venezuelan Workers])

If all this does not mean a party-government schism,....

#### New Cadre

It is very clear: the government and its economic team, freed from the annoying presence of Matos Azocar, can now serenely carry out the proposal to grant dollars at 4.3 bolivars to Electricidad de Caracas for payment of the interest on the foreign debt. It was already announced that there will be changes in the government investment under the Seventh Plan of the Nation, an expenditure that had been originally set at between 18 billion and 23 billion bolivars for 1985. Now there will be a "preliminary" investment of only 9 billion bolivars. Also the so-called "general features" of the plan will be constantly revised and adjusted.

The AD fears that the plan drawn up by Matos Azocar and his team of collaborators will not be carried out. The interests of those whom the Union Bureau calls the "irritating minority of Venezuelans who have seized the national wealth" will be imposed. However, the unionists insist that the Plan of the Nation is the reflection of the government program chosen by the majority of the country to which the AD and the government are committed.

#### What Happened in Miraflores

Luis Raul Matos Azocar had been offered another ministerial position. However, a very important AD leader told BOHEMIA that the former minister "has not agreed to step down quietly to another ministerial position." Therefore, he presented his resignation to President Lusinchí more than a month ago. It should be recalled that in an interview with Lesbia Delgado of BOHEMIA, Matos Azocar stated that he was a minister to please his mother and also so that his father's union comrades and the oil workers in eastern Venezuela where he was born could be proud that, in the multiclass AD, the son of a worker can become a minister, at least.

The unionists revealed that Matos Azocar "fought his best battles in the Economic Cabinet" for "that 80 percent of the Venezuelans wronged and abased by the obscene wealth and the profitable privileges of 20 percent of the people." This demonstrates the confrontation between the government and the members of the AD Union Bureau.

Matos Azocar's "battles" included his opposition to the "subsidy" of 4.3 bolivars per dollar to Electricidad de Caracas and some financial entities to pay the interests on the foreign debt. In the Economic Cabinet meetings, the former minister argued that there were other enterprises that did not burden the people like Electricidad which could bring in raw material from abroad to produce at a lower cost. However, Matos did not succeed in getting the food or pharmaceutical enterprises dollars at 4.3 bolivars.

#### What Will Happen Now

The Union Bureau and Manuel Penalver from the AD Secretariat General are determined that Matos Azocar will be the new leader to oppose the "irritating minority." A spokesman for the Union Bureau talked to BOHEMIA using these words impregnated with laborism: "A new time, that new social and economic order that the AD members proposed in the elections, will come. Luis Raul Matos Azocar is going to fight for its fulfillment from the ranks of the AD, from among the common people where his personality and his responsibility bring him. Many opportunistic people who view politics as a ladder to success, as a road to the social pages where all the mediocrities appear and false reputations are made, consider it odd and strange that a brilliant, talented, politically and technically trained youth like Matos Azocar would resign from a ministry. That resignation is the best letter of introduction showing his political sincerity toward his commitments and his people." Another union leader maintained: "Matos tried to be consistent with the AD government program into which he put all his love as a young politician with creativity. He aspired to the utopia of transforming the harsh economic reality that the low-income Venezuelans live through agreement and understanding. (What political movement is not essentially looking for utopia although later the crude pragmatic reality of certain inconsistent politicians destroys that utopia.)"

The future is clear to anyone who has eyes and wants to see: the government opposition will be the AD itself. The Union Bureau will take on the task of defending the party--according to this sector--as it defended it and rescued it with spectacular triumph in almost all the unions of the country after the national electoral defeat in 1978. For the time being, the Union Bureau does not agree that the Seventh Plan of the Nation should be changed because it was approved by the CEN of the AD and presented to the National Congress. A veteran AD unionist stated: "Matos Azocar will join congress in the month of March to defend it."